

THE Hongkong Weekly Press

AND

China Overland Trade Report.

VOL. LXIV.]

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BIRTHS.

On August 31st, the wife of A. G. BETHELL, I. M. Customs, Kiukiang, of a daughter.
On September 2nd, at Kuling, the wife of W. P. KEE (British Consul at Nanking), of twin sons.
On September 3rd, at Soochow, the wife of G. F. MONTGOMERY, Commissioner of Customs, of a son.
On September 8th, at Shanghai, the wife of J. H. HINTON, of a daughter.
On September 8th, at Shanghai, the wife of V. J. McLOUGHLIN, of a son.
On September 8th, at Shanghai, the wife of J. J. JUDAH, of a son.
On September 10th at Shorncliffe, Hongkong, to Mr. and Mrs. C. SCHROTER a son.

MARRIAGE.

On June 13th, at Charing Cross, RICHARD SADLER FREEMAN McBAIN, of Shanghai, to CECILIE MARIE McBAIN, of Shanghai.

DEATHS.

On September 1st at Shanghai, HARRY SMITH, late managing director of the China Printing Co., Ltd., aged 35 years.
On September 2nd, at Shanghai, Dr. CURT SCHOLZ, acting Consul-General for Germany, aged 37 years.
On September 5th, at Shanghai, GEORGE LOCKE, native of Isle of Wight, aged 77 years.
On September 7th, in England, suddenly from apoplexy, M. W. MITCHELL, partner in Messrs. Caldbeck, Macgregor and Company, aged 51 years.
On September 8th, at Amoy, Captain JOHN CONNOR SAUNDERS, aged 77 years. Deeply mourned.
On September 11th, at 5.25 a.m., at her residence in Kowloon, EMILY MARIA, the dearly beloved wife of BONIFACIO MARIA CASTRO, aged 28 years.
On Tuesday, the 11th September, at the Victor's Hospital, HELEN FLAVIA COATES, the beloved daughter of FLAVIA DOMETILLA PRESTAGE, in her 32nd year.
On Saturday, the 15th September, night, ROBERT BOMANJEN MUNSHI, of Messrs. Deacon, Lockyer and Deacon, died at his residence, No. 2, Hollywood Road. Aged 43 years. Deeply regretted.

Hongkong Weekly Press

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ARRIVAL OF MAILS.

The German Mail of August 14th arrived, per the ss. *Gneisenau*, on Monday, the 10th inst., and the French Mail of August 17th arrived, per the ss. *Oceanien*, to-day.

FAR EASTERN NEWS.

The subscriptions for Hongkong's contributions to the Interport Shield have now been closed, the desired amount having been realised.

On September 12th the *Canton Daily News* reports that seven of the *Sainam* pirates were beheaded on Tuesday after trial and conviction.

It is stated that Mr. Fulford, British Consul at Newchwang, has been appointed to Mukden and will proceed to his new post about October 10th.

Japanese engineers have surveyed routes of various sections in Hupeh for the Szechwan Hankow Railway at the request of Viceroy Chang Chih-tung.

The robbery of a Chinaman by Indians at Yaumati has tended to revive the feelings of racial animosity in that district, and the police are still taking extra precautions to preserve order.

The 2nd Battalion Royal West Kents Regiment leaves Hongkong for Singapore about November 23rd. The 3rd Battalion Middlesex Regiment, now in South Africa, is expected here about October 28th.

During the month of August there were 281.2 hours of sunshine while the total rainfall was 3.970 inches. The mean of sunshine for August during 20 years is 196.0 hours and the mean rainfall is 14.22.

It is reported that an Imperial Decree has been issued appointing Chou Fou, at present acting governor of Liangkang, to succeed Viceroy Tsen Chun-Hsuan of Canton, the latter to be transferred to the Yunkwei Provinces.

Owing to a misunderstanding, it was announced in the *N.-C. Daily News*, and by us repeated, that most of the property destroyed by the fire at Morris's village, Shanghai, on Aug. 31st, was uninsured. They now state that all the houses burned down were fully covered by insurance.

There is no particular feature to commend in the new Chinese army except its numerical strength. In military affairs, as well as in other departments, corruption is general. The management of the stores departments is scandalous, but this is looked upon as normal by the Chinese.

The native papers publish a telegram from the Chinese at Panama urging that Chinese coolies be warned not to engage to proceed there to work on the Panama Canal, it being stated that the treatment of the coolies there is "worse than in South Africa" and that more deaths occur.

According to the *Canton Daily News* another removal from the directorate of the Yuet Han Railway is announced. The man who was removed was a representative of Fatahan shareholders, and as his character had been attacked by people of that city he was dismissed. Another election will take place to fill the vacancy.

According to the *Canton Daily News* a parade by students from all the schools in Canton took place on Monday to celebrate the proposed adoption of a constitutional government in China. It seems to be the teaching in the schools of the city to look upon the proposed change as a boon to the people, and their actions are governed by that teaching.

The latest news from Honolulu about the s.s. *Manchuria* is that she will soon be afloat again. A telegram to the Manila *Cablenews* dated Sept. 7th says:—"The big liner *Manchuria* on the rocks near Honolulu has been found to be but little damaged and the indications now are that she will be taken off the reef with but very small injury to her plates."

A Chinaman landed at Penang on Aug. 28 with fifteen bags of copper coin from Hongkong, which he said was all Hongkong currency. Inspection of three bags revealed the presence of numerous Sarawak and North Borneo coins, so the whole fifteen bags were taken to the Treasury for examination. The Chinaman said his coppers were valued at \$4,000.

Something new in hats was discovered on Sept. 8th. A Chinaman was seen leaving the s.s. *Honam* wearing one of the ordinary big hats. There was nothing unusual in its appearance, yet an excise officer thought the man was a likely subject for examination. He was searched and in his broad brimmed hat was found a large quantity of dross opium neatly concealed in a false top. Brought before Mr. Hazeland at the Magistracy next day he was fined \$100.

The *Japan Chronicle* learns from Japanese sources that the negotiations between the Japanese Minister in Peking and the Chinese Foreign Office with reference to the establishment of a Chino-Japanese company for timber-cutting on the Yalu are making but slow progress. The season for lumbering closes next month, and unless some settlement is speedily arrived at it will be impossible to commence operations before the spring. There appears to be little prospect of the company being floated this year.

Who are middle class? The following definition appears in the *London Standard*: In this country, if not elsewhere, there is no hard and fast distinction between the various classes which make up the community. One rank is merged by imperceptible gradations into the one just above it. To attempt to distribute the entire population into an upper, a middle, and a lower class would be a hopeless task. On the other hand, every one will agree that certain sorts and conditions of men must belong to one out of three orders: the working plumber, who has seen to the tap in my bathroom, to the lower classes; the nobleman, who owns the estate on which my modest habitation is indifferently built, to the upper classes; the doctor, and the lawyer, and the clergyman, who look after my health, my legal interests, and my morals, to the middle classes—for in each it is more convenient to use the plural.

THE CASE OF SIR ROBERT HART.

(Daily Press 8th September.)

"Correspondence relating to the Decree issued by the Chinese Government on May 9th, 1906, respecting the Chinese Imperial Maritime Customs" was presented to Parliament (Cd. 3089) last month. There is very little of it, and nothing at all that is new. Sir EDWARD GREY seems to have wasted some of the state funds in telegraphing repetitions of what Mr. CARNEGIE at Peking had already telegraphed to him. Thus, the man on the spot telegraphed, "Venture to bring to your notice following points which His Majesty's Government may think worthy of consideration." One point was, "Interference in internal affairs of China is, of course, not desired by His Majesty's Government." Sir EDWARD GREY telegraphed back, "Reply on lines you suggest is approved", and then, as if he had just thought of it, all with his own head, so to speak, he added, "You should impress upon the Chinese Government that we do not wish to interfere in the internal affairs of the country." Even if that had been quite true, it was a waste of time and money; but it is not strictly true, or ought not to be. China is still in the position of a person incapable of managing his own affairs, and it is practically a duty to interfere, if we hold by the ideals of modern society. Dr. MORRISON, another man on the spot, makes it clear in the message we republished yesterday that he considers the Chinese unfit to manage any sort of public undertaking properly. The trouble all arises from the circumstance that the Chinese refuse to admit anything of the kind. Prince CHING for the Chinese Government gave assurance that the change in the administration of the Maritime Customs was a purely formal one, and the British representatives, after pointing out that it looked suspicious, more than a formality, and that they doubted China's good faith, accepted the assurance. This has not satisfied the newspapers which would presumably prefer diplomacy more on the lines of a Sikh policeman's way with a coolie. Dr. MORRISON in particular says the British Foreign Office has been altogether too soft and too simple. He says the Chinese Government should be forced to give the same publicity and force to its assurance as it did to the Decree that started all the pother. That comes very near to interfering with China's internal affairs, in our opinion, for it would certainly make the Imperial Government lose face with its already grumbling constituents. As a practical way of making the foreign position absolutely safe it cannot be flouted; it is the idea of a man who understands all the ins and outs of relations with China. But at the same time the foreign bondholders may feel secure under present conditions, without making China swallow such a bitter pill as that would be. The British Government for a long time has been very easy-going with China, but it is possible that it saw sufficient reason this time for not pressing the point. Dr. MORRISON, disgusted with the Chinese failure to let well alone and with their typical conduct in appropriating large salaries for the new Comptrollers-General, allows his annoyance to colour the rest of what he sees. We do not believe that the Chinese have studied to humiliate Sir ROBERT HART, and we can conceive how TANG SHAO-YI, when speaking to the foreign Ministers of the INSPECTOR-GENERAL as "the servant of the Chinese", might have done so without meaning to be "contemptuous". Anyway, there are few Chinese officials who have not, in this

connection, been referred to contemptuously, so we need not be too touchy. As a matter of fact, though Sir ROBERT HART may be regarded as in some sort a trustee for the foreign creditors, a sort of official receiver, he is none the less a servant of the Chinese. What is more, he has been a good servant, and the Chinese in many ways have recognised his services. There can be no harm in plain speaking. Sir ROBERT HART is not humiliated; he knows that he has outlived his usefulness; and a bit of sentiment, a desire to complete his jubilee of service, alone restrains him from at once seeking the rest and renewal of home ties he longs for. The Chinese, like some other people, were merely anticipating his retirement. This is what the *Times* shows signs of overlooking. The Inspector-Generalship is a desirable job, to put it vulgarly, not only for the holder but for the Power he may represent. There is a good deal of heart-burning as to who shall succeed Sir ROBERT HART, and when the *Times* says that Sir ROBERT BREDON, his Deputy, has "manifested an exaggerated desire to ingratiate himself with the Chinese authorities", we suspect wheels within wheels. We care very little who does get it, so long as he is a Briton and an able man; but we fear that the *Times* may be innocently playing cat's paw to more than one monkey. Why should Sir ROBERT BREDON not have attended the formal opening of the new offices at Peking, when the British Government had accepted China's assurance that nothing would be done to weaken the security for the loan? We, like the *Times*, often speak of "Chinese incompetency and corruption", but we do not get angry at the idea of a Chinese official speaking "contemptuously" of a white man's servant of the Chinese—especially when there is more than a chance that the contemptuousness existed only in the imagination of the correspondent. The best answer to all these excited animadversions is to be found in the fact that Sir ROBERT HART has not resigned in disgust, that he is not borne down under the load of contempt and humiliation that Dr. MORRISON has imagined. It is all pure sentimentalism again. If ever high-handed pressure were needed, it should have been applied to make China fulfil the terms of the MACKAY commercial treaty; but in this important matter it seemed impossible to arouse sufficient public interest. Now the spectacle of a gray-haired old gentleman being apparently "put upon" brings out the full strength of the "Thunderer's" verbal explosives, and the small arms of the general mob are brought to bear on the same target. It is all rather amusing, but it has its depressing side.

AN EGYPTIAN PROTECTORATE.

(Daily Press, 10th September.)

Amidst the many other subjects which have called for immediate attention, the public at home appear to have passed over, with very little notice, a matter which must ere long call for serious consideration, namely, the position which Great Britain occupies in Egypt. The Morocco incidents indirectly brought the subject into prominence some time ago, as the *entente*, which was at that time arrived at between France and Great Britain, involved the withdrawal of the opposition which up to that period France had in various ways manifested to the position which we had assumed in Egypt, and to the policy which was there being followed. It would, however, be too much to assume that the

difficulties of the situation are at an end. It will still require much careful management to enable Great Britain to obtain a settled position or to secure such an administration in Egypt as is essential for safeguarding her interests in a country which must always be of the greatest importance, being on her highway to India and the Far East.

The matter has been admirably treated by Mr. Edward Dicey in an article which appeared in the *Empire Review*. He sums up the history of the various events which have culminated in our occupying a position in Egypt that is certainly anomalous, and which, thanks to the want of decision which so often characterises British diplomacy in such matters, is, he frankly admits, open to question by European nations, should any one of them think it worth while to raise difficulty at the present time. He points out that upon three several occasions it would have been possible for us "to have declared our protectorate under circumstances which would have justified its declaration in the eyes of Europe as well as of Egypt;" but that we have kept up a pretence that our military occupation was of a temporary character and would be terminated, in accordance with the assurances we had given of our own accord, as soon as Egypt was reorganised under British administration so as to hold her own as an independent state. Upon this point, he observes:—

I am most anxious not to discuss the Egyptian question from a party point of view. I adhere now as always to my original contention, that to retain our hold on Egypt, the highway to our Indian possessions, is a matter of vital importance to the British Empire; and I should deeply regret to write a word which might impair the British tenure of supreme authority in the valley of the Nile. But, in my judgment it is the interest of England to look at things as they are, not as one might wish them to be, and to admit that during the quarter of a century which has elapsed since our troops first landed in Egypt, we have done nothing whatever to consolidate a defective title or to modify the rights which foreigners acquired in Egypt at dates long preceding our occupation.

France, who was our chief opponent in Egypt, has been quieted by the *entente* which has been arrived at, which gives her a free hand in Morocco, so far as we are concerned, in exchange for our having a free hand in Egypt. But this, it is justly pointed out, is only so far as France is concerned, and is of no force as regards any other Powers. The nation most likely seriously to object to the extension of British influence in Egypt is Germany; but in connection with the Morocco conference, Germany has declared that she sees no reason to oppose British policy in Egypt, so that at the present time the opportunity might be considered as again offered of establishing an effective Protectorate, the importance of which can hardly be over-estimated.

What this task is will be readily understood by residents out here who are familiar with the working of extra-territorial jurisdiction in China. The like principle applies in Egypt, and other nations enjoy the same privileges as to matters of jurisdiction as Great Britain; while the rights of exterritoriality extend "not only to genuine foreigners, but to aliens, who, in return for value received, have been placed under the protection of foreign Powers as naturalised subjects".

It can be readily understood that an attempt on the part of any one nation to deprive others of their exterritorial rights is certain to evoke much opposition; and this would be the first thing that would

have to be done towards establishing an effective protectorate. Mr. DICKEY, however, holds that it would be the first duty of Great Britain if ever she assumes a Protectorate over Egypt to obtain the cancellation of the "capitulations"—that is the extraterritorial system; but he considers this cannot be done till England "takes over the public debt of Egypt and makes it known to the world that she regards Egypt as being under the protection of Great Britain, to be defended against internal or external attack by the whole force of the British Empire." He points out that under these circumstances the "prosecution of reforms" in Egypt can only be carried into practice with the assent of the foreign Powers of Europe.

The seriousness of the task as thus explained cannot be blinked; and few will be disposed to differ with the view that "the present moment is singularly infelicitous for proposing a formal recognition of a British Protectorate over Egypt, or of suggesting the expediency of cancelling the capitulations." Such a Protectorate would amount to little less than actually taking over the country—a course which will, there can be little question, become necessary in time. When that time arrives the writer of the paper is of opinion that British supremacy in Egypt will be best secured and maintained by adopting the course pursued in many of the native states of India, namely governing Egypt under a British Resident, and leaving the internal administration in native hands. It is probably in this direction that British policy will be shaped; but it is clear that there are many difficulties in the way. These, however, are of a nature that they are likely rather to be increased than lessened by time; and, though the present moment may be inopportune, it is clear that the matter is one in which effective action cannot be indefinitely postponed.

JAPAN IN KOREA.

(Daily Press, 11th September.)

"When a country has signed an engagement surrendering the control of its foreign affairs to a neighbouring Power, to speak of the independence of the former as a practically existing fact would be somewhat farcical." So says Captain BRINKLEY of Tokyo, writing on the situation in Korea. We made a similar remark at the time of the inauguration of Japan's protectorate, and also pointed out that it was a protectorate that virtually (and quite properly) harbingered annexation. Recent history in Korea has not modified but strengthened that opinion. The possibly sincere American meddlers at Seoul who seem to yearn for a Korean Declaration of Independence are in theory quite correct in their views as to the inalienable rights of man; but if man be a Korean, and as degenerate, his inalienable rights cannot be permitted to impinge upon the equally important right of his neighbour to exist. Korea is at present no worse off, and certainly no less kindly treated, than a patient suffering some contagious disease. If Korea convalesces, and this largely depends upon herself, there will be time to talk of independence. Korea, in a moment possibly of self-revelation, a realizing of her desperate state, placed herself in her present sanatorium of subordination; whence she can emerge only by the help of Dr. NIPPON. That Japan's good health somewhat depends upon the permanent recovery of Korea is a fact that does not vitiate the simile. Now it seems that Korea is a rather refractory patient. Those American

idealists—some critics have described them as mercenaries—have been doing their best to make her discontented with the reformatory. Disturbances occurred in various parts of the country immediately after the backs of Marquis Ito and General HASEGAWA were turned.

"At the outset there were no conclusive indications that anti-foreign feeling inspired these ementes; plunder seemed to be their main objective. Japanese settlers, who are to be found at many places in Korea, carrying on small but prosperous enterprises, did not suffer specially at the hands of the insurgents nor could any concerted sentiment of nationalism be inferred from the latter's acts and words. At first, therefore, the Residency-General in Seoul conceived that the duty of suppression might be left to the Korean troops aided by Japanese police. Of the latter there are 350 in Korea, but as 250 are attached to the Residency-General in Seoul and have also to guard the settlement, it follows that those stationed in the provincial districts number only 100. Their numerical insignificance is compensated, however, by extensive faith in their own capabilities, half-a-dozen of them being always ready to deal with a hundred Koreans. Thus it seemed a normal procedure that a band of four should set out to reconnoitre the position of the Hongju insurgents."

Four wasn't quite enough. A great army of Korean rebels—or patriots—managed to kill half of them. The other two escaped, and brought back two companies. These took the city, killed sixty-nine in the taking of it, and took 145 prisoners beside. How fit the Koreans are to be independent may be gathered from such instances. It was soon discovered, thanks to the existence of a Korean reform party, that these attacks were anti-Japanese, and semi-officially inspired. They were suppressed with humiliating ease, and would not have been so numerous if facilities had existed for spreading news from place to place. Japan has a fixed policy, at which Marquis Ito darkly hinted when returning to Seoul; and its present attitude in the face of such a good excuse to strengthen its position must commend itself to those who do not like the look of too hasty conquest. Annexation will come, however; it is expedient, not only for Japan, but in the interests of the world's peace that this mismanaged country, which has always been subservient to some one of its neighbours, should be taken in hand; and that an end should be put to the sort of intrigue revealed by the recent enquiry.

CHINA AND TIBET.

(Daily Press, 12th September.)

"Diplomatic decency" is the rather happy phrase with which a London contemporary explains the rather disappointing features of the Convention between Great Britain and China relating to Tibet. These concessions to form have to be made, apparently; Conventions must be conventional; but after taking a year and a half to get from China what Sir FRANCIS YOUNGHUSBAND had obtained from the Tibetans in less than a month, we cannot profess to regard the result with any particular satisfaction. We left no room for doubt two years ago as to our opinion of the part China was playing and likely to play in that part of the world. The correspondence published by Parliament, written by competent British representatives on the spot, was sufficient to convince most people that the Chinese representatives were not acting more ingenuously than their customs and manners dictate. Two years ago this month, Sir FRANCIS YOUNGHUSBAND secured, after much arduous work, a convention with Tibet which placed Great

Britain in a position to obtain much better terms than this Peking Convention of last April shows. It battered her political position, and promised well for Indian trade. British subjects were allowed access to certain markets, with the understanding that more markets would be opened if needed. The Tibetans, instead of destroying, were to repair and maintain roads; and a tariff of trade duties mutually agreed upon was to be adhered to. The expense to which the Indian Government had been put was to be partly recouped, according to the means of the country, and the British troops were to hold the Chumbi district as security for an honest attempt to fulfil the agreement. Politically, all it asked was that the Tibetans were not to countenance the interference of any foreign Power—an important point. The alleged "act of grace" of Lord AMPHILL as Indian Viceroy considerably weakened the British position in Chinese and Tibetan eyes. Such things are not rightly appreciated by Asiatics. Now we have a further "act of grace" in Article II, in which the Government of Great Britain engages not to annex Tibetan territory or to interfere in the administration of Tibet. In the same Article, China undertakes "not to permit" any other foreign state to interfere with the territory or internal administration of Tibet. It will be seen that this simply restores the unsatisfactory conditions prevailing prior to the achievement of YOUNGHUSBAND's men. The Government of China had to admit its powerlessness to enforce control as suzerain, and though it did not like to see the British taking the law into their own hands, it acquiesced in the necessity of the proceeding. The British have rehabilitated China's lapsed suzerainty, and got practically nothing for it—so, at least, we imagine events will prove. The Ambans will recommence squeezing the Tibetans, and the British have no resident officer to keep an eye on their doings, or to hear complaints. The Tibetans, after an interval of forgetfulness of the recent lesson, will again become restive. Their administration, with which the British have covenanted not to meddle, will take its former form of discouraging alien enterprise; and they are sure to coquet with "King Stork"—Russia—in a foolish attempt to depose "King Log". Then as before China will be helpless, and another YOUNGHUSBAND will have to endure hardships in the service of a Government which often fails now to realise the value of its servants' work.

IS HONGKONG HEALTHY?

(Daily Press, 13th September.)

The old question as to whether Hongkong is healthy or unhealthy has been revived by a recent publication, "The Historical Geography of the British Colonies" which our reviewer treats in this issue. The author has apparently two opinions on the subject. One is that the climate of Hongkong during part of the year tells on European constitutions, and the other is that though in its early years the Colony acquired the reputation of being a very unhealthy place of residence for Europeans it is not now unhealthy. To a certain extent we must sympathise with the author's hesitation in coming to a definite conclusion on this point, knowing the diversity of opinion that prevails among those who have lived and do live here and having regard to the terrible aspects borne by the reports of plague and fever sent home. When we are asked to consider the question for ourselves, we are also told to

look at the death-rate, which certainly appears satisfactory, but reflection will perhaps induce us to recall the modern axiom that figures can be held to prove anything. Not for a moment should it be suggested that the death-rate is other than it seems. The figures as quoted are genuine, but they do no more than indicate the number of people who have died during a certain period, and after all that is no criterion of the health of the place. For one thing, most people who come out here have to satisfy a certain standard of fitness under medical examination. Without considering the military and naval elements, in which only those who are physically fit are found, the majority of young men now in the colony have also been tested in a similar manner before they stepped on board the steamer which was to introduce them to Far Eastern life. That being so, we have to remember that we have—speaking of the men at least—really a picked population. We have here, to start with, a healthy type of individual, able to withstand the trying nature of the climate. We have few of the weaklings whose early decease helps to swell the death-rate of communities less deliberately formed. With a population thus selected, is it any wonder that the death-rate is comparatively low? We are all fond of telling each other that we are “not here for the benefit of our health.” We all recognise that by coming here we have exposed our constitutions to risks that would not be run in the ordinary course at home, and we all know that our women folks take less kindly to the climatic conditions than the men. Yet the death rate is not high and compares favourably with many places in Britain. That however is not the point. The standard of healthiness is not so high, and ailing seems more common than is desirable. Of course when we remember that Hongkong is in the tropics, that it was once little better than a bed of fever, and that most of us have come from temperate climates, it is very satisfactory to find the death-rate so low as it is and the amount of ill-health so greater than it is. Trite though it be, there is need however to remind many that the individual who most readily responds to his change of environment is best equipped for the new life. That, indeed, is where so many are found wanting. They adhere too closely to their old style of life, or when they make changes it is usually in favour of greater indulgences than would be theirs at home. In other words, if people from a temperate climate intend to live in a tropical climate they should make their manner of life more appropriate to the changed conditions. Europeans must frankly admit that the transposition from the climatic surroundings of their earlier years to life in the tropics is not conducive to longevity. To many it may not appear to be harmful, and some exceptions are found who declare that they never felt better before, but nevertheless the change is bound to have some effect on the average. The fact cannot be overlooked that the hot summers tell on European constitutions, and whether the occasional voyage to Japan or the more extended trip home serves to build up sufficiently those who have been “run down” is a moot point. The terrible results in England of the recently reported heat wave, in which the maximum temperature was below our normal, appear to support our argument.

Prior to the manoeuvres, selected Chinese military officers are to take part in a staff ride in Honan. They will, of course, carry maps, and will prepare their own food.

THE COLONIAL MARRIAGES ACT.

(Daily Press, 14th September.)

Although the passage of the Colonial Marriages Act by the House of Commons, after that measure had been accepted by the Lords, where the chief opposition to it has always existed, was a foregone conclusion, the fact that this matter has at last been set at rest will be a subject of general congratulation in the Colonies. It seems indeed almost incomprehensible that the anomalous state of things which the recently passed Act removes, can ever have existed. That, after the royal assent had been given to Acts passed in various Colonies from time to time legalising marriages with a deceased wife's sister (against which, it may be observed, it seems difficult to find any really valid reason) marriages so contracted in such Colonies should fail to be recognised in the United Kingdom, seems contrary to every rule of common sense, and to be among those things which as Lord Dundreary declared, “no fellow can understand.” Certainly no ordinary layman can conceive why the rule applicable to every other form of contract, that if it is valid in the place where it is made, it is so held in all other places, should be departed from in regard to the most important form of contract that can be entered into. Such, however, has been the view with respect to marriages held in the English Courts, which have always claimed the right to pronounce whether a given marriage out of England was or was not valid, and as a result there have been many anomalous and some unjust decisions with respect to marriages contracted abroad. It is in consequence of this peculiarity of the Law or rather of the Courts that the question as to the validity in the United Kingdom of the marriages with a deceased wife's sister in the Colonies arose. In regard to jurisdiction the Colonies are looked upon as foreign countries and thus, upon the principles always adopted with respect to marriages out of the United Kingdom marriage with a deceased wife's sister in the Colonies became open to question at home; and the curious anomaly above indicated of the Royal assent to a measure in a Colony not making it valid in the United Kingdom was arrived at. It has taken a long time for the commonsense of the nation to put an end to this very illogical and unsatisfactory state of affairs; and it may not be too much to hope that the day will come when a similar view will be adopted with respect to any question that may arise as to marriages contracted in foreign countries and that the principle will be accepted that if they are valid in the places where they are contracted they will be recognised elsewhere. The question has been suggested more than once as a fit one for international conference; and it might form a more useful subject for consideration than impossible suggestions for preserving the peace of the world by means of arbitration. All that is necessary in order to come to a satisfactory conclusion is to separate the purely civil from the religious or ceremonial aspect of marriage and come to an understanding that all marriages which have been concluded with the necessary civil elements of contract shall be gazetted by an Official Marriage Officer in the country where they have been celebrated, and that this announcement shall be taken everywhere as a final proof of their validity. The English Courts have already gone so far as to hold that the incidents of a marriage contracted abroad, as to property in the United Kingdom must be taken to be those created by the marriage in the country where it is

concluded. This was long doubtful, but the question was set at rest in a well known case (that of *Nichols v. Curlier*, on appeal in 1900); and if the same rule were adopted as to the marriages themselves that has now been accepted as to the incidents of property, &c. accruing from them, an end would be put to the inconsistencies which have so often caused trouble and injustice in respect to marriages abroad—and the law applying to the marriage contract, in its civil bearing, which is all the State has to do with, would be once more as it should be, the same as that applying to any other form of contract in any part of the world.

THE BUDGET SPEECH.

(Daily Press, 15th September.)

HIS EXCELLENCY THE GOVERNOR having expressed himself as being “strongly averse to raising additional loans at the present time”, an aversion which we believe would not be shared by some other publicists of the Colony, we may confidently say that of the remaining alternatives he has chosen the right one. In view of the present trade depression, retrenchment seems a much more sensible policy than an increase of taxation would be. That would be, notwithstanding HIS EXCELLENCY'S half threat that it may yet be necessary, to burn the candle at both ends. We have also for some time past held the opinion that retrenchment is possible and desirable in various directions, and in common with others who share that feeling, could have wished to hear more of it as a policy dictated more by conviction than casual necessity. To cut our coat according to our cloth is an adage which, while it happily pointed HIS EXCELLENCY'S little sermon on resignation, is in essence mischievous. It is not a good rule to be consistently followed. It advocates in effect living up to the full extent of our income, which for a man of no expectations is foolish. The GOVERNOR'S reference to the uncertain and fluctuating character of the Colonial revenue puts us in that position. This may appear inconsistent with our hint that further loans might not be unmixed evils, but we deprecate pushing the simile too far. There is more than one way of regarding such debt; in the case of such overdrafts a municipality, colony, or nation is not on a level with an individual. With regard to the revenue of the Colony, we suspect that the position as indicated by HIS EXCELLENCY will be regarded as a sufficient reply to the petition recently submitted by HIS LORDSHIP THE BISHOP and his reverend colleagues. We hope it will not be regarded as flippancy if we say, as we say with seriousness, that the noble ideal wrapped up in the historic phrase “morally indefensible” will probably lose some of its glamour in the light of “impossibly inexpedient”. Fortunately we may still feel honourable, if we reflect that here also was a case of state morality and personal morality being confounded. The profit that the Colonial Government counted on making on subsidiary coins would have been morally indefensible, from that point of view; and it happens by a coincidence that such a profit would also have been politically inexpedient this time. The “sterling men” have also been calling attention to a matter they regard as morally indefensible, and it appears that the SECRETARY OF STATE has more regard for expediency than morality. Throughout the Budget Speech, we are constantly reminded of how very inexpedient it would be to do the right and fair thing by these men. Yet there is another view which would regard

as expedient, and that may be gathered by suggesting that a corollary of "payment by result" is surely "results by payment". There can be no harm in mentioning that many residents believe this explains in part incidents which the community deploras. It is not difficult to foresee our fate if the very disinterested altruists at Home—disinterested in the sense that they do not expect to pay for their altruism, like Tientsin which upholds British prestige at Hongkong's expense—get their way. In the meantime, not knowing what the morrow is to bring forth, retrenchment should be the watchword of the Government; and we hope the public will not consider us traitor to their interests if we recommend the Government to show a stiffer neck to popular clamour. We plead guilty to causing a decrease of \$7,800 in the revenue, by voicing the conviction of the people that a mistake was being made in cutting down so many trees, which were planted with a view to benefits other than revenue. This decrease represents about 1-670th of the estimated expenditure, and we do not think it necessary to recapitulate all the ways in which the present policy is repaying that many times over. The effects on water supply and health alone cannot be estimated in figures; and we hope we are not too stubborn in asking the public to reaffirm its decision if it should appear necessary. When His Excellency remarked that he was "doubtful whether we shall not presently have to modify that policy", he was presumably throwing out a feeler. We hope it was nothing more. Another instance due to popular clamour is a case of actual expenditure. We opined some time ago that we were not even then in a position to gratify our laudable ambition to have everything up-to-date, like street fire alarms (which the Model Settlement does without), modern refuse destroyers, and ornamental pier buildings. Without comment, His Excellency announced that \$20,100—about 1-25th of the estimated expenditure—was to be devoted to erecting a permanent shelter on Blake Pier. We quite realise how much such an erection will be welcomed by aesthetes and bathing parties, and all we have against it is that it is a luxury for which we might have waited until we were better able to afford it. Much has been said about the "hideousness" of the present picturesque matched. We would plead in favour of our old friend that the globetrotters regard him as evidence that they have reached the real Orient, that he is easier and cheaper to repair after typhoons, and that he affords adequate shelter without encroaching unduly upon pier space. We suppose it is too late now, but we regard that as one instance in which the Government might have been less indulgent towards our natural desires, for a time at least. Going through the items in this way, readers will be able to select and add together sums of expenditure which, according to their several predilections, might have been more considered with a view to retrenchment. For instance, a thousand dollars is a comparative bagatelle, but we do not think the BACTERIOLOGIST will obtain its value from experiments with artificial light on bacteria. These experiments have been already made elsewhere, and there seems little excuse for doing the same thing over again. The increase in the ecclesiastical vote is another item of which we cannot wholly approve, in a Colony with so many races and creeds. "On the other hand," His Excellency remarked, "there is a saving of \$7,000 on stationery". We have no doubt that this

will make our contributor "Banyan" regret his recent gibes at what appeared samples of economy run mad. The result justifies, and we hail it as supporting our plea that the retrenching authorities should take care of the "bagatelles". There must have been considerable waste before to permit of such a saving. We are glad to notice small savings on outlay on the Volunteers. We are reluctant to say much about the excellent Volunteer movement in the Colony, so dear to the gubernatorial heart; and will be content with the not impertinent remark that a Colony which pays one-fifth of its revenue for soldiers should not have to depend on Volunteers. It may be a strategic crime to whisper that our garrison is not up to strength, but we will risk it, in the absence of visible enemies. In any case, we fear that His Excellency's wish to see every British-born male prepared to fight for the Colony is as much a dream as the vision of universal peace. Such ambitions would perhaps not trouble him if we had our money's worth of garrison.

HONGKONG LEGISLATIVE COUNCIL.

A meeting of the Hongkong Legislative Council was held on the 13th instant in the Council Chamber at 2.30 p.m.

PRESENT:—

HIS EXCELLENCY THE GOVERNOR, SIR MATTHEW NATHAN, K.C.M.G.
HON. COLONEL DARLING, R.E. (Officer Commanding the Troops).
HON. MR. T. SERCOMBE SMITH (Colonial Secretary).
HON. SIR H. S. BERKELEY, (Attorney-General).
HON. MR. A. M. THOMSON (Colonial Treasurer).
HON. CAPTAIN L. A. W. BAENES-LAWRENCE, R.N. (Harbour Master).
HON. MR. W. CHATHAM (Director of Public Works).
HON. MR. F. J. BADELEY (Captain-Superintendent of Police).
HON. DR. HO KAI, M.B., C.M., C.M.G.
HON. MR. WEI YUK.
HON. MR. E. A. HEWETT.
HON. MR. E. OSBORNE.
HON. MR. W. J. GRESSON.
MR. A. G. M. FLETCHER (Clerk of Council).

MINUTES.

The minutes of the previous meeting were read and confirmed.

FINANCIAL.

The COLONIAL SECRETARY, by command of His Excellency the Governor, laid on the table report of the Finance Committee No. 8 and moved its adoption.

The COLONIAL TREASURER seconded and the motion was carried.

THE ESTIMATES.

The COLONIAL SECRETARY moved the first reading of a bill entitled An Ordinance to apply a sum not exceeding five million two hundred and two thousand one hundred and thirty-five dollars to the Public Service of the year 1907.

The COLONIAL TREASURER seconded.

HIS EXCELLENCY said—Gentlemen, this is the seventh year in succession that I have risen in my place in another colony and here to put before the Legislative Council the estimates for the ensuing year, but this is the first occasion on which it has been my unsatisfactory duty to announce a decline in the revenue. Before going into the long array of figures which I have on my notes, I think it will meet your wishes if I explain generally how it is proposed to meet that decline. There are three methods open to us. Either to raise further loans, or to increase taxation or to reduce expenditure. I am strongly averse to raising additional loans at the present time. We have already our old loan of 1894 amounting at the present time to £300,000 after deducting sinking fund. We have also a new loan for the railway. We are fortunately able to

raise that loan by instalments of \$110,000 a year and the interest which we shall have to pay next year on the first of these instalments is not a heavy charge, but this charge will go on mounting each year until the railway begins to pay its way. One reason why I am particularly anxious to avoid adding to the Colony's indebtedness and therefore to the ineffective charges which appear in estimates is the precarious, I may even say speculative, nature of some of the items of our revenue; we cannot count for certain in any year on getting approximately the same as we did in the preceding year. With fluctuating items of revenue we do not wish to add to our fixed items of expenditure. I am also averse to increasing taxation. It has been pointed out to me that this colony is very lightly taxed, and I by no means promise that I shall not on some future occasion propose additional imposts, but a time like the present one when trade is bad does not seem a suitable one at which to add to the burdens of traders. Further the decline in revenue which we now have to meet is, as I shall presently explain, largely due to a lower tender for the opium farm. I do not wish to impose additional taxation on non-smokers of opium because the burden is by force of circumstances lightened to those who smoke opium or who profit by others' use of this drug. There remains a reduction of expenditure and that is the method which it is proposed to adopt. We must cut our coat according to our cloth. It must necessarily be a simple garment but I hope when I come presently to try it on you, you will agree with me that it is a fairly serviceable one in which the Colony need not feel ashamed to appear next season. (Hear, hear). It is somewhat of a tight fit, but if we adhere to the estimates we have framed we shall remain in the same sound financial position at the end of 1907 as I am happy to say we shall be in at the end of 1906. That position is somewhat better, according to our present anticipations, than the estimate I made of it when introducing the budget for the year 1906. I then anticipated that on the 31st Dec, 1905, we should have a balance of assets over liabilities of some \$332,000. The final accounts of the year 1905 showed a balance on the last day of that year of \$441,000; that is \$109,000 better than we had expected. On the other hand we estimated the ordinary revenue of the Colony for the year to be some \$50,000 more than we shall probably receive. This is due to no profit having been made from subsidiary coinage, a subject to which I shall recur presently. We had counted on \$120,000 receipts as this profit, and it is this amount, less certain excess on other items, that causes the deficit of \$50,000 in our ordinary revenue for 1906. In our extraordinary revenue we fall short by \$243,000. This is due first of all to land sales which we estimated at \$400,000 being now estimated at \$307,000; next to the Widows and Orphans Pension Fund amounting to \$249,000, which you will remember it was proposed to transfer to revenue account not having been so transferred. On the other hand we are transferring to the general revenue sums which have been found due to us on the closing of the Praya Reclamation account amounting to \$98,000. Our ordinary expenditure during the current year is estimated now at \$154,000 less than when the original estimates were drawn up. This is due to an error on the right side which was made in basing the estimates on the possibility of the dollar falling below the amount at which it stood at any time during 1904 and 1905. As you are aware, instead of falling, the dollar has risen, and consequently a smaller number of dollars have been required for sterling payments in England and in the Colony. The saving on the estimates of ordinary expenditure would have been much greater had it not been necessary to send home at a considerable loss a very large store of subsidiary coins which had accumulated in the Colony and could not be disposed of, and on which the Government were paying interest. The extraordinary expenditure for 1906 is now estimated at \$152,000 less than when the original estimates were prepared. Recapitulating these figures you will see that we have \$109,000 more due to the excess of a sets over liabilities than on the 31st December, 1905. We have \$293,000 less due to revenue not having come up to the amount expected, and we have \$305,000

more owing to expenditure having been less than estimated. The net result of this is that at the end of the year 1906 we shall be \$122,000 better off than we anticipated when the estimates for 1906 were introduced. We then expected a surplus of \$622,402 on 31st December 1906; we now expect a surplus of \$744,573. Passing from our probable financial position at the end of this year to the conditions that we anticipate for next year, and dealing in the first instance with ordinary revenue there will be a decrease of \$490,000 on the proceeds of the Opium Farm. This farm, which at present is let at \$170,000 a month, or \$2,040,000 a year, has been let for the next three years at \$121,000 a month or \$1,452,000 a year. This is equivalent to a \$588,000 reduction in a year, but as the new farm only commences from the 1st March the actual reduction of revenue from this source in 1907 will be \$490,000. I regret this reduction, not only on account of the loss of revenue, but because I am satisfied that with the lower price paid for the Opium Farm the cost of the drug will be less and its consumption greater. The next item of revenue on which there will be a reduction is that for subsidiary coin. The item of \$120,000 which appeared in the estimates for 1906 disappears in those for 1907, and I shall be very much surprised if it ever appears again. I am doubtful, more than doubtful, whether this Colony was justified in sending into China some \$40,000,000 nominal worth of coins which had a value less than their face value. At any rate this action has had the not unnatural result of inducing the Chinese to attempt to make their own profits from minting operations. Their operations in this direction have been on a very much larger scale than ours and have had the result of substituting the twenty-cent piece for the dollar as a standard of value in South China, and incidentally of dragging down the dollar value of the subsidiary coins of this Colony. This Government has made representations both to the Viceroy and to the metropolitan authorities of China with regard to the very serious effect on trade that their large issues of subsidiary money have had and will continue to have, and from a communication I have received from the Consul-General at Canton I believe the representations have not been without effect. I think the Chinese authorities now realise what a disastrous thing it is to lower the value of the currency and will stop the issue. Having induced them to do that, of course it is out of the question for us to do what we have persuaded them not to do (applause). Those are the two big items of reduction in revenue—the Opium Farm and subsidiary coin—amounting altogether to \$610,000. Then there are reductions in three items indicating a stagnation of trade: \$10,000 in permits for Sunday cargo working; \$9,000 in storage of gunpowder licences; and \$8,450 in pawn-brokers licences. There is also a reduction of \$7,800 in the amount we are to receive for the sale of timber. We have given effect, and are continuing to give effect, to the Colony's cry of two years ago "Woodman spare the tree," but I am doubtful whether we shall not presently have to modify that policy. I was struck very much by a conversation I had a little while ago with the Deputy Inspector-General of Naval Hospitals who informed me that he was cutting down all the trees about the Naval Hospital as he found that after 20 years they died. I have noticed myself in several parts of the Colony dead trees and we shall have to be careful we do not get the island covered with forests of dead wood. In the meantime we anticipate very little revenue this year from the sale of timber. Another item from which we shall get less than last year is the conservancy contract which has been let for \$5,761 less than last year. Then there are thirty-one items in which there are decreases all under \$5,000. These decreases amount altogether to \$24,720 and with those which I have given in detail show a total falling off of \$675,030. On the other hand there are some items of ordinary revenue from which we anticipate an increase. On the assessed taxes we expect a further \$20,000 due to new buildings and improvements in buildings. \$20,000 more is put down for stamps, based on the receipts for the current year. \$18,000 has been added to the amount for junk licences due to the abolition of surities and altering of fees to

which I alluded on a previous occasion. An additional \$10,000 is due to the opening of the new Western and Mongkoktsui markets. There are additions to the items for slaughter house, fees of \$9,500; for Post Office receipts of \$8,200; and for New Territory Land revenue of \$8,000, the last being due to the revision of the rent roll this year. There are also 34 items with increases of less than \$5,000, amounting altogether to \$30,960. The total increases amount to \$124,661, which deducted from the total decreases amounting to \$675,030, show a net decrease in the ordinary revenue of \$550,370. In extraordinary revenue, as the item Widows and Orphans Pension Fund no longer appears, there will be a decrease of \$249,000, and we anticipate only getting about \$300,000 for land sales, which means a decrease on that item of \$100,000, so that the total decrease in extraordinary revenue will be \$394,000, which added to the total decrease in ordinary revenue, \$550,370, gives a total decrease in the revenue of \$899,370, or very nearly \$900,000. Last year the total revenue was \$7,347,395; this year we estimate it at \$6,448,025. This decrease is met by decreases in all the items of expenditure except in the following six. The charges on account of the public debt have increased. There is to be some special expenditure on the Post Office, and also on the Fire Brigade. The ecclesiastical and charitable votes have been increased, as well as those for miscellaneous services and for recurrent public work. I will deal presently with the details of the variations under each head of the estimates. The increases I have mentioned amount to \$59,406; the decreases on all the remaining votes to \$333,521, leaving a net decrease in ordinary expenditure of \$274,115. To make the revenue equal the expenditure the public works extraordinary vote has been decreased by \$35,100; the total decrease in ordinary and extraordinary expenditure is therefore \$625,215. Whereas the expenditure in 1906 was \$7,056,955, that anticipated for 1907 is \$6,431,140. To recapitulate in 1906 we had an estimated total revenue of \$7,347,395, and an estimated total expenditure of \$7,056,955, which left us a surplus of \$290,440. For 1907 we estimate the revenue at \$6,448,025, and the expenditure at \$6,441,748, leaving a surplus of \$16,285. Passing now to details of expenditure there is an increase in the charges on account of public debt of \$38,500 due to our having to pay interest on the first instalment of the railway loan of £110,000 at 3½ per cent. This addition is partly counterbalanced by interest and sinking fund on the 1894 loan being calculated at 2½ instead of 1½ exchange which results in a decrease of \$31,821 and leaves a cost increase on the vote of \$7,800. In civil pensions there is a decrease of \$16,094. This is not a decrease, gentlemen, which we can view with any satisfaction because it comes from the death during the past year of some old and valued servants of the Colony. Sir William Marsh administered the Government on various occasions, amounting altogether to two and a half years, in the troublous times which followed Sir John Pope Hennessey's administration, and also after George Bowen left the Colony. Sir George O'Brien occupied the place now held by my hon. friend on the left. Mr. Deane was for very many years Captain, Superintendent of Police, and it is on record how well he did his duty in that position. These officers, whose names are all on the obituary list, were not known to most of us, but nearly all of us knew Mr. Bruce Shepherd and will regret that he has been spared so short a time to enjoy his well earned pension. In addition to this decrease there is a further one of \$6,600 owing to it not being necessary to make provision for payments on account of the Widows and Orphans Pension Fund. On the other hand there is an increase of \$1,000 in police pensions, the net result being a decrease in the vote for pensions of \$21,694. On vote 3, there is a decrease of \$13,200 owing to higher exchange on the salaries of Governor and staff. There is a further small decrease of \$362 due to minor alterations in the establishment of constables and watchmen. There is an increase of \$1,000 for the renewal of furniture at Government House, the net decrease on the whole vote being \$12,562. In the Colonial Secretary's Department there

is a decrease of \$5,336 due to higher exchange on the salaries of the Colonial Secretary's staff less a small sum due to increments and to an additional telegraph clerk. There is a decrease of \$1,323 due to higher exchange on the salaries of cadets, with an increase of \$180 for minor alterations in other charges the net decrease becomes \$6,479. In the Registrar General's Department higher exchange less stipulated increments on sterling salaries results in a decrease of \$2,850. There is a decrease of \$2,190 from the re-organisation of the subordinate staff and the substitution of a Portuguese for an English clerk, and the census to be taken this year, being mainly provided for in this year's estimates, causes a further decrease of \$2,600. For minor alterations in other charges there is a decrease of \$391, the total decrease on the vote being \$8,011. In the Auditor's Department there is a decrease of \$2,190 due to higher exchange on the salaries of the local auditor and assistant local auditor and home charges, and an increase of \$675 caused by the substitution of an assistant local auditor for an auditor's clerk. The net decrease is \$1,515. In the Treasury higher exchange on the salaries reduces the estimate by \$1,410. \$3,000 has been cut out this year as it has not been necessary to make provision for the administration of the Widows and Orphans Pension Fund. On the other hand \$2,400 has been added as payments to police sergeants in the New Territories for exercising some supervision over the work of sheriffs there. We have suffered this year from a very serious defalcation, and this provision for supervising is one of the means we are taking to provide against such occurrences. An increase of \$1,691 is due to the introduction of the grading scheme, and to alterations in the subordinate staff. \$20 is for minor alterations in other charges. The net decrease on the Treasury vote is \$3,119. In the Hongkong Post Office higher exchange on the amount paid for mail subsidy results in a decrease of \$25,058. An increase in personal emoluments is due to new scales of salaries provided for the Superintendents of the Money Order Office, of the Registration Parcels Branch, and the Superintendent of Mails, also to additions to the establishment of clerks. These increases amount to \$9,019. There is also a small increase of \$376 for minor alterations in other charges. The net result of this is that the Hongkong Post Office will cost \$15,663 less next year than it did this. On the other hand Postal agencies in China will cost \$13,243 more. This is mainly due to the provision of \$12,898 for an agency in Tientsin. This agency was urged on the authorities at home by the London Chamber of Commerce as being required for correspondence between Tientsin and London, and was supported by the Chamber of Commerce here as tending to the convenience of British merchants in China, and therefore to the enhancing of British prestige. I have remarked that when British prestige is to be enhanced in China, and when some expenditure is involved thereby, the Hongkong Government is called upon to bear that expenditure. The larger part of this expenditure is due to transit charges. The increase of \$2,125 for the Post Office at Shanghai which was recently enlarged is for additional rents and taxes. \$686 is required in excess of last year's vote on account of minor changes in the personnel at Amoy, Canton, Hankow and Hoihow. A decrease of \$2,466 is due to higher exchange and alterations in sterling salaries. The net result of these charges is that the Postal agencies of China will cost us \$13,243 more next year than they are expected to do this. Under the Post Office vote there is a heading for special expenditure of \$4,100 for engraving plates. The purchase of these plates is expected to save an expenditure of some £280 a year. The net result of the decrease in the Hongkong Post Office items, of the increase of expenditure on postal agencies in China, and the special expenditure, is to increase the total Post Office vote by \$1,680. In the Harbour Department estimate the expenditure of \$15,400 on buoys is omitted, the work having been completed in the current year. There is a decrease of \$5,527 due to higher exchange and changes in

staff, and of \$2,000 for repairs to the *Hygeia*, \$1,000 of which has been transferred to the medical vote, and \$1,000 of which is not required. There is a decrease of \$1,575 owing to the Peak and D'Aguiar signal stations having been transferred to the Royal Navy. This action was taken at the request of the Naval Commander-in-Chief, and as far as the Colony is concerned its result is satisfactory. A decrease of \$720 is due to quarters having been provided for a boarding officer in the new Harbour Office. \$700 less expenditure is anticipated on small stores. \$800 decrease is due to provision for certain stores made in 1906 not having to be repeated in 1907. \$266 saving is the net result of minor alterations in other charges. On the other hand there is an increase of \$2,000 contribution to the Royal Navy on account of their taking over the signal stations. Another increase of \$2,000 under the Harbour Department vote is for fog signalling. As hon. members will remember we have had on two occasions this year to take special votes for this service. The remaining item of difference, an increase of \$900, is for electric fans for the new Harbour Office. The net result of these changes is that the Harbour Department will cost \$22,083 less next year than is anticipated this. For the Observatory a \$3,050 decrease is due to higher exchange and automatic changes in personal emoluments. The small increase of \$236 is for certain arrangements for getting the daily register better printed and sent out with more despatch. The net decrease is \$2,814. In the Judicial and Legal Department the decrease of \$17,995 is mainly due to high exchange on salaries. In the police \$31,740 less expenditure is required for personal emoluments mainly due to higher exchange. Advantage has been taken of a change in the police school masters to substitute dollar salaries for the present exchange compensation salaries. The small decrease of \$68 is for minor alterations in other charges, and the addition of \$3,000 is for repairs, and for coal and oil for police launches. The net decrease in the Police Department vote is \$29,828. In the Fire Brigade there are two items of special expenditure. One for \$5,200 is for street fire alarms which have been advocated very often in this chamber; the provision inserted in the estimate is not for a complete system, but will suffice to apply the London system to part of the town and thus show us whether it is the best system to adopt. The further special expenditure of \$4,000 is for additional despatch boxes. We rely here much more on hydrants than on fire engines, as the engines necessarily move slow in the streets, but to make the hydrants effective it is necessary to have an ample supply of despatch boxes. In the original draft estimates I included, in accordance with a promise I had made to this Council, a sum of \$50,000 for an additional floating fire engine. It would have been an additional insurance to have had this engine, but in view of the facts that our present floaters is rarely used, and of the financial exigencies of the budget, this item was cut out. There is an addition to the ordinary expenditure of \$1,800 for a new boiler for one of the land engines, and a small decrease of \$280 is due to minor changes in the personnel. The net decrease in the fire brigade is \$10,730. In the prison vote the decrease of \$9,897 is due to higher exchange, less increments and additional language allowances. \$4,000 less will be required for provisions next year owing to there being fewer prisoners in jail. Owing to this fewer number it will not be possible to carry out the washing of the hospital by prisoners, and \$700 is therefore not required for fuel and soap. \$500 less is included for incidental expenses. The total decrease of the vote for the prison is \$15,097. In the Medical Department a decrease of \$14,907 is due to higher exchange and automatic changes in personal emoluments. \$5,000 is the amount entered in 1906 and not required again for furnishing a six months' reserve of surgical and medical appliances. \$700 is saved by the completion of the new staff quarters which have enabled the Government to give up a rented house hitherto occupied by some of the nurses. An increase of \$2,700 is due to the hospital washing not being done in the jail. An increase of \$2,400 is for the half salary of an additional medical

officer who will reside at Kowloon. The other half of his salary will be paid from the railway loan. One increase of \$1000 is for provisions for and another of equal amount is for repairs to the *Hygeia*; the latter is transferred from the Harbour Department, and \$1,000 is for experiments on the effect of artificial light on bacteria which the Bacteriologist thinks may have some useful result. \$325 increase is the net result of minor alterations in other charges. The total decrease in the Medical Department vote is \$12,182. In the Sanitary Department a decrease of \$23,652 is due to higher exchange and automatic changes in personal emoluments. \$8,872 is saved on this vote by no provision being made for district plague hospitals under the Medical Department. We came to the conclusion that it would be better to grant a sum of \$2,000 to assist the Chinese with these plague institutions rather than vote a larger sum to our hospitals which they would not use. \$20,103 is the decrease on other plague expenses, and \$4,450 in disinfectants and disinfecting stations. \$1,888 is saved by the more economical working of bath houses and \$1,500 in cemetery incidental expenses and \$775 is minor alterations in other charges. We over-estimated this year by \$1,000 cost of the electric lighting of the Central Market. These decreases would have resulted in a very large saving on the sanitary vote next year but for a \$24,824 increase in the scavenging contract. As it is the net decrease on the vote is \$37,416. In the Botanical and Afforestation Department the decrease of \$926 is due to higher exchange, partly counterbalanced by the appointment of an Indian chief forester. In Education the decrease of \$12,094 is due to higher exchange and automatic changes in personal emoluments. An item of \$500 was inserted in last year's estimates to provide for laboratory expenses for the Collegiate Course at Queen's College. As I explained to the Council the other day the Collegiate Course failed and this item is not wanted. On the other hand there is an increase of \$4,299 for evening continuation classes. An increase of \$640 is for language allowances and bonus to masters, and one of \$408 is due to minor changes including the starting of a school at Ping Shan already approved by the Council. The net decrease in the Education vote is \$7,367. On Ecclesiastical and Charitable Allowances an increase of \$6,705 is due to transfers from other votes. The remainder of the increase (\$2,000) is due to a contribution towards Chinese plague hospitals. In the Transport vote there is no change. In Miscellaneous Services \$14,000 has to be paid as interest on the Widows and Orphans' Pension Fund, which was not taken over by the Government. \$5,000 additional has been put in for refunds of revenue required on account of vacant houses. The printing vote is increased by \$700 and an item \$540 is put in for language studies for which we found it necessary to make special votes this year. On the other hand there is a saving of \$7,000 on stationery; \$6,426 has been transferred to Charitable allowances and a decrease of \$3,810 is due to equalisation of exchange on remittances. On account of the higher rate of the dollar \$594 will be saved in payments of grants in England. \$500 is the decrease on the Crown Agents' commission. A small decrease of \$489 in contributions in connection with signalling messages is due to arrangements made this year in connection with the establishment of the new Harbour Office. In the military contribution, which you know is one fifth of the ordinary revenue of the Colony, there is a decrease of \$110,074. In the Volunteers vote there is a decrease of \$2,700 for clothing for recruits and outfit allowances which in future will be provided from corps funds. The Government gives a very generous capitation grant which is now being expended in constructing the Volunteer Headquarters. We do not propose to reduce this grant, but it is desirable that it should not again be allowed to accumulate. The decrease of \$2,398 is due to higher exchange and a change in the holder of the office of armourer sergeant. \$2,100 additional provision is made for ammunition and for a subtarget rifle. \$550 is additional capitation grant on account of increased strength. The net decrease in the volunteer vote is \$2,416. In the Public Works Department

a decrease of \$30,620 is due to higher exchange on salaries and the increase of \$7,750 to automatic changes, and a operation of the grading scheme. Building overseers' salaries have been raised to bring them into line with those of sanitary inspectors. The remaining increase of \$884 is for minor alterations in conveyance and language allowances. The net decrease in the public works department vote is \$21,980. In Public Works Recurrent increases of \$4,000 for the maintenance of buildings, of \$9,000 for the maintenance of roads and \$4,000 for the maintenance of water works are due to new buildings roads and water works. The new item of \$12,500 is for typhoon damages. That amount is based on the average spent on repairs on account of typhoon damages in past years. Hitherto it has been customary to take a special for this vote but it is more satisfactory to include the item in the estimates. The decrease of \$12,000 for the maintenance of lighting is due to a reduction in the price of gas which we have succeeded in obtaining from the Gas Company. The net increase on public works recurrent is \$28,300. In Public Works Extraordinary, whereas for buildings in 1906 we inserted \$480,100 we have inserted only \$381,500 in the estimates for 1907, or nearly \$100,000 less. This has been rendered possible in the first instance by the completion in the current year of the Harbour Office, the Western Market, the Mongkok Tsui Market, the Shanghai Post Office, and five small buildings. I do not propose to go on with the new prison at the present time. It appeared to be a matter of urgent necessity two years ago when we hardly knew what to do with prisoners, but fortunately the number is so much reduced that the existing prisons are not only not overcrowded, but we have been able to close the branch prison. In these circumstances the projected new prison could reasonably be cut out of the estimates. We have retained in the estimates the same amounts for proceeding with the Supreme Court and Post Office. These amounts aggregating \$320,000 are those we considered we could effectually spend in pushing on the two works as much as possible. Then we have had to include amounts for certain buildings already in progress or for which contracts are let. The expenditure on these buildings, viz:—Latrines and Urinals, Time Ball Station at Kowloon, Post Office at Wanchai and Kowloon Mortuary, which will be incurred next year is \$31,500. Then there are two new buildings it is proposed to put in hand. One is the Land Office at Tai Po. This is absolutely necessary in order to prevent the risk of destruction of all land records pertaining to the New Territories, and the estimated cost is \$15,000. The other is a market at Quarry Bay, the estimated cost of which is also \$15,000. This was recommended by the Sanitary Board. The continuation of the Supreme Court and the Post Office, the completion of buildings already in hand, and of these two new buildings, bring the vote up to \$381,500. For communications last year we estimated \$216,800. This year we have only estimated \$89,000. Last year we included, however, two items in connection with the railway amounting to \$100,000 which will eventually be repaid to the revenue from the railway. We expected to complete the Conduit Road extensions this year. This will not be possible, but the work will be finished with the amount inserted in the present year's estimates, which is comparatively small to what was inserted last year. We have still got an item for extending Robinson Road, Kowloon, and one for roads in the New Territories, and we have slightly increased the item for forming and curbing streets as this work has to keep pace with the question of new buildings. Drainage, for which last year you voted \$70,000, is estimated this year at \$80,000, \$10,000 having been added for miscellaneous drainage works, the amount of \$15,000 not having proved sufficient for doing all the works required in a year. For extensions of gas-lighting in same is a small amount of \$2,500 inserted. Miscellaneous works stand at \$90,100 against \$70,600 which stood in the estimates for 1906. Of this, \$20,000 is for a permanent shelter for Blake pier in accordance with my promise to the Council some time ago. In the original draft estimate it was also pro-

posed to renew the Queen's Statue pier, but we will have to let that remain for another year. The other miscellaneous items are \$22,000 for completing certain piers commenced this year, \$35,000 for minor works, \$5,000 for the renewal of survey works in the New Territories necessary to prevent boundary disputes, and \$9,000 for reclaiming the Tai-po fish pond, to prevent what we believe will be an important place in the future getting into an unsatisfactory state of sanitary condition. Under the Public Health and Buildings Ordinance I have estimated only \$20,000 as against \$160,000 this year. This \$20,000 is entirely for compensation we have to pay under Section 180 of the Ordinance. No amount has been included this year for the resumption of insanitary property for which \$150,000 was voted last year. I will refer to this omission presently. For waterworks provision has been made for \$536,600 against \$558,000 last year. \$286,300 of this amount is required for the completion of the Kowloon Gravitation Scheme, and the Tytam Tuk First Section. \$200,000 is for starting the Tytam Tuk Second Section in accordance with my promise to the Council (applause). I think I have now explained the items of estimated expenditure sufficiently to assist hon. members in following them in the printed estimates before them, and I will now proceed, as I did last year, to set forth the proportion of the total expenditure which has been allotted to the different heads of service. Whereas in 1906 5.96 per cent. of the expenditure was allotted to non-effective charges, in 1907 6.33 per cent. of the expenditure is told off for these. General administration including the Post Office in 1906 took up 15.12 per cent.; in 1907, 15.95; Public health in 1906, 11.15; in 1907, 11.45; Public instruction in 1906, 2.73; in 1907, 2.82; Public order in 1906, 13.41; in 1907, 13.92; Defence, 19.69; in 1907, 19.85; Public works in 1906, 31.4; in 1907, 29.68. You will see therefore there is a slight increase in the percentage on all the main divisions except on public works on which there is unfortunately a decrease; but 30 per cent. of our total expenditure is nevertheless a fairly satisfactory amount to devote to public works. We spend rather more than one-fifth of our income on non-effective charges and general administration rather more than three-tenths on public health, public instruction and public order; one fifth on defence and three-tenths on public works. Before sitting down I propose once more to follow the precedent of last year and put before members a few facts and views on the policy of the Government. Dealing in the first instance with general administration, I wish to explain to them what is being done in a matter which greatly interests the majority of the council—the official majority—and that is compensation for the decline in the dollar value of sterling salaries. As I informed the Council on 17th May last I telegraphed to the Secretary of State and put before him a suggestion for such compensation on a definite scheme. The reply of the Secretary of State was not encouraging. He said he was not prepared to consider any general scheme for compensating officers owing to the rise of the dollar. I then set forth the reasons why I considered such compensation—which of course could not be claimed under the agreement entered into by civil servants—would be expedient, and I made various detailed suggestions how I thought compensation might be given in a manner fair both to the Colony and to its servants. I was only able to send that despatch home on 18th July, and have not yet received a reply. In another matter, that of dollar salaries, I have had a somewhat freer hand. I took up this question of salaries of subordinates soon after arriving in the Colony in 1904 and in 1905 introduced a grading scheme of salaries into the Post Office, Harbour Department, Magistracy and Education Department. In the estimates now before you that scheme has been extended to all the departments. You will remember it involves increments in junior grades being given annually instead of biennially, and increments in senior grades being double what they were before. It also provides a more constant flow of promotion. I consider the present scheme a fair one to the clerks; salaries of between £30 and £220 are reasonably good salaries for men who have entered the service

with the qualification of an elementary education in Government schools. The salary of a Chinese clerk here compares favourably with the salary which an English clerk of similar training gets in London. There is one further improvement I am desirous of making in the subordinate service, and that is that entrance to it should be by competitive examination, instead of as at present by the somewhat haphazard selection on the advice of some senior clerk in the office. I may mention in connection with the salary of dollar officers that in 1904 the total amount of those salaries was \$543,472 whereas in 1907 it will be \$663,486; that is to say we pay 22 per cent. more for our junior clerical staff now than we did three years ago. There is a third class, that of the messengers and coolies, whose salaries have been under consideration. A system of good conduct pay was introduced into the Post Office and produced fairly satisfactory results. It has now been extended to the messengers and coolies of all departments. Passing from the question of general administration to that of Public Health, I have to say that whereas I possibly may not be quite so satisfied as I was that the very stringent sanitary measures we adopt have much effect in preventing and checking the prevalence of plague, still I believe that owing to those measures this Colony enjoys better health than other Far Eastern ports. One has only to compare the figures in connection with the health of Hongkong with those of Singapore, Saigon or Manila to see that this is so. The sanitary measures to which I refer are now the subject of an inquiry by a Commission which, as the Council is aware, I appointed on the 10th May, to go into this important matter and inform me whether we could make any change in the administration of our laws which would leave them as effectual but less irksome. The Committee, judging from the interim report submitted to me, are working with great energy and conscientiousness, and I trust that their labour will be beneficial to the public of the Colony. Unfortunately their investigations have brought to light the possibility that the law has not always been administered by Sanitary Department Officers subordinates with complete honesty. I hope, and I am sure I am expressing the hope of the whole Council, that those persons against whom charges have been brought will be able to clear themselves effectually of those charges. It would be sad if in any body of Englishmen we should fail to find that scrupulous honesty which used to be, and I hope still is characteristic of the English nation. The third matter I wish to speak about, in connection with public health, is my unfulfilled promise to carry on continuously the resumption of insanitary property. Since I arrived here in 1904 we have cleared out two extensive blocks of buildings—the Kau U Fong and Mee Lun Lane resumptions. In clearing out these blocks we have displaced a considerable population. There is not much building going on, and one wonders what has happened to that population—whether it has left the Colony or crowded into neighbouring houses neither result would be particularly satisfactory. We endeavoured to sell the Kau U Fong property by auction, but when we put it up there were no bidders. These facts seemed to indicate that we should pause before clearing out further areas, and when added to this there arises the difficulty of cutting down the expenditure so as to be covered by the revenue I decided to omit from the estimates the item for resumption of insanitary properties. The principal change this year in Public Instruction is the introduction of evening continuation classes at Queen's College. I have already explained to the Council the object of these. Otherwise I am continuing to move in the direction indicated last year of improving the education that we give to Chinese boys rather than extending the number to whom we give it. We have done away with the junior classes at Queen's College and extended the senior classes. I hope that the three district schools, at Wanchai in the east of Victoria, Saiyingpun in the west of Victoria, and Yaumati at Kowloon will be more feeders to Queen's College than they used to be. I look forward to the time when we can also make Anglo-Chinese schools at Aberdeen, and in the east and west of the New Territory also feeders to that college. I think that when that is done and when all our schools

are provided with English masters, a good English education will be available to any boy in the Colony whose parents choose to let him have advantage of it. In the matter of Public Order, I have already referred to the decrease of prisoners in the jail. The Captain Superintendent of Police has not yet explained to me what causes this decrease, but it is decidedly very marked. During the first eight months of 1905 the average number of prisoners in jail was 721, while during the first eight months of 1906 it was 516, a decrease of 205. There is also a decrease in the number of destitute Europeans in the Colony, on which subject members will remember there was much discussion and some legislation last year. I think the legislation then enacted, and the other measures taken at the same time, have not been without effect. During the whole of last year 56 vagrants were dealt with as such in the House of Detention; this year to date there have only been 25. With regard to Defence I have to inform the Council that I am expecting the arrival here in a few days of a joint naval and military Committee under the presidency of a distinguished officer, Sir John Owen, to go into the question of the sufficiency or otherwise of our armaments. We have in the course of the year increased our defensive strength to some extent by adding to the number and efficiency of the Volunteers. Whereas on this date last year there were 264 Volunteers and the Reserve Association numbered 186, at the present time there are 277 Volunteers while the Reserve Association numbers 249; in all 450 civilians were last year available for the defence of the Colony, this year the number is 526. I am not entirely satisfied with this result. I should like this Colony to set an example to the rest of the Empire in this matter, and although probably it will not be possible, for it to be enacted I hope that before I leave the Colony it will be recognized that every British-born male in the Colony must prepare himself for its defence (applause). In the matter of Public Works, and dealing in the first instance with the Canton-Kowloon Railway, I am able to inform the Council that negotiations are at length proceeding between the Chinese authorities and the representative of the British and Chinese Corporation for a loan for the Canton section. Our section is making progress, not possibly as rapidly as I should like, though Council may rest assured that I shall watch the work very closely. (Applause). In the matter of Water Works we have as I have stated allotted \$200,000 for Tytam second section. It may be possible to spend more than this. If so I shall not hesitate to come to the Council for a special vote. One of the items which I wished to have appear on the estimates for this year, but which does not appear, is the typhoon shelter. So long as we have those water works on hand, to which I have referred, there is very little chance of doing anything in connection with this shelter unless the Chamber of Commerce should suggest raising the Light Dues to provide funds for constructing the shelter, in which case such a reasonable suggestion might be adopted (applause). When going through last year's public works that were most necessary I alluded to the deepening of the harbour. We then thought that this was a matter of most serious importance, but a survey which was made for me by the kindness of the Naval Commander-in-Chief has satisfied me, and has satisfied, as I understand, the Chamber of Commerce that the harbour is not appreciably silting up. There are slight alterations in the sea bed, but the total area of deep water is not suffering diminution. It was a great relief to the Government and to the shipping authorities to realize this. I have already confessed to several broken promises. There is yet another which I must mention. I promised that we should provide for laying Ice House Street with wood pavement in these estimates. The necessary amount has not been included, but I shall be prepared to bring up a special vote for it. The consideration of public works leads one naturally to that of the progress of industries in this Colony. The current year promises to be a very important one in this respect. Mining in the New Territory is now apparently advancing beyond

the prospecting stage, and if it proves to be the success that its promoters anticipate the Colony will greatly benefit thereby. Another great industry is to be started this year by the Hongkong Milling Co. at Junk Bay, to which we wish every success. (Applause.) Speaking last year on the subject of industries I referred to the assistance which was given to the promotion by exhibitions. Since then we have completed an exhibition of the products of Hongkong and of those of South China which pass through Hongkong in the Imperial Institute in London. An exhibition of industrial arts in the Colony has been arranged for, and we have also started again the annual flower show. Gentlemen, I thank you for the attention with which you have listened to my somewhat halting remarks. I also take this opportunity of expressing my thanks for the advice which has been given me not only on the subject of these estimates, but on other subjects, not only by the official but by the unofficial members both in this Council Chamber and outside of it (Applause).

The motion was agreed to.

PREPARED OPIUM ORDINANCE.

The ATTORNEY-GENERAL moved the first reading of a Bill entitled an Ordinance to amend the Prepared Opium Ordinance, 1891.

The COLONIAL SECRETARY seconded, and the motion was agreed to.

CODE OF CIVIL PROCEDURE.

The ATTORNEY-GENERAL moved the second reading of the Bill entitled An Ordinance to amend the Code of Civil Procedure. In doing so he said—The reason for the introduction of the Bill is so obvious that it is not necessary for me to say much at this stage, except to explain that the object of the Bill is to bring into line as far as expedient the procedure of the Supreme Court in this Colony with that of the Supreme Court in England. The chief object of assimilating the procedure which is obvious to all who have practised in the courts is that the decisions of the courts in England upon rules of practice and procedure shall be applicable to cases that arise on similar rules in this Colony, and that the judge of the Supreme Court here will be guided by the considered decisions of the courts in England. The Bill deals practically in its entirety with one matter, that is, the alteration of the present procedure with respect to service out of jurisdiction. The alterations proposed by the Bill have been proposed on account of the necessity which appears to the Chief Justice and the Puisne Judge of the change advocated to bring our procedure more into line with that of England. There is one portion of the procedure with respect to service out of jurisdiction in which it is proposed to make a sharp difference to that in existence, and to follow more closely the spirit of the corresponding section of the English code. It is proposed that section 42 of the principal Code be repealed, and another section substituted. Sub-section E. of that section will be found to be the same as section 42 (e) of the Code of Civil Procedure. At present service out of jurisdiction may be ordered in every case where the cause of action arises in the Colony. That used to be the practice or something like it under the old Common Law Procedure Act., but differences of opinion were expressed between the Courts of Common Pleas and the Courts of Queen's Bench as to the meaning of "cause of action." One Court held the cause of action to be the contract. The other Court held, more properly, in my opinion, that the cause of action is the breach of the contract. There could be no action unless the contract has not been observed. The cause of action is not the contract but the breach. That is the view taken by the Chief Justice and that is in his opinion sufficient to call for an alteration of the present system. The other changes in that section are practically verbal. They give legislative effect to the practice that has been to my knowledge followed for at least four years in the Colony which provides that notice of writ instead of service of writ be given to a person out of jurisdiction and who is not a British subject. The seventh clause of the Bill is new. Nothing of the sort appears in our Code. As I have said, the principle of the Bill is to bring our practice and procedure

into line as far as applicable with that of the courts of England.

The COLONIAL SECRETARY—In seconding the motion that this Bill be read a second time I wish to make a few remarks to the Council on certain matters which not only occurred to myself but which were suggested to me from outside. I hope that my remarks will not be taken to be didactic or hostile. I don't wish to teach anybody anything and I don't wish to be hostile to any particular person. I think that this Bill before the House for amending the Code of Civil Procedure should be framed to make that amendment as complete as possible. The matters on which I wish to address the Council fall into two categories. The first includes matters which arise out of the Bill and the second includes matters which, though they do not arise strictly out of the Bill, yet would fall within the scope of the Bill as a Bill to amend the Code of Civil Procedure. Dealing with the first category, the Bill as a whole is one to which I think no objection can be taken, but there are certain points in which I think it should be amended. The first point to which I would direct attention is section six which proposes to amend the whole of section 42 of the Code. Section 42 reads—(1) "Service out of the jurisdiction of a writ of summons or notice of a writ of summons, may be allowed by the Court unless the case falls within the provisions of Ordinance No. 1 of 1851." I think, Sir, when the Bill is referred to the Standing Law Committee that that Committee will come to the conclusion that these words "unless the case falls within the provisions of Ordinance No. 1 of 1851" are useless. Ordinance No. 1 of 1851 is an Ordinance which provides that Chinese born in China would not be allowed to litigate in this Colony on a cause of action which arose in China unless the defendant had resided in the Colony for six months. If the jurisdiction does not arise there is no need to insert these words. Again if circumstances have arisen which confer jurisdiction on the Court, under Ordinance No. 1 of 1851, I think it is *a fortiori* unnecessary to exclude that Ordinance from the operation of this section. I see no reason why, under these circumstances, if a defendant runs away to China the plaintiff should be defeated in bringing an action simply because he is not allowed to serve the writ out of the jurisdiction on the absent defendant. The second matter arising primarily out of the Bill before the Council is a matter to which the Hon. Attorney-General has already referred, section 42 (1) (e). He proposes to substitute that sub-section for the existing sub-section which says "Service out of the jurisdiction, etc." [Reads]. The difficulty suggested by the Attorney-General is what is the cause of action. I will deal with the suggested difficulty as the cause of action. I think I can say in an experience of many years in this Colony that this matter has not troubled a single judge up to the present moment, and I think it is not likely to give any trouble to any judge in the future. So far as the difficulty of deciding what is a cause of action is concerned I think that the reason for the alteration of the sub-section is not valid. I can show good reason why the present sub-section should not be tampered with. If the Standing Law Committee will look at the present sub-section they will find that that sub-section contains no restriction such as that the contract the breach of which gives cause of action must be a contract which ought to be performed within the jurisdiction. In that respect the present sub-section has a wider scope than that proposed to be substituted for it. Moreover the present sub-section provides not only for the case whether the contract is made outside the Colony or within the Colony and the breach occurs within the Colony, but also that if the contract was made in the Colony i.e. within the jurisdiction, a writ of action would lie though the breach may have occurred elsewhere. Therefore these two important principles, namely, that breach is not necessarily confined to breach within the jurisdiction and secondly that the contract the breach of which causes the action must not necessarily be a contract which according to its terms ought to be performed within the jurisdiction, render the present sub-section of greater scope than the sub-section

which it is proposed to substitute for it. If we examine the reason for the English practice, I think we shall find that England being adjacent to the Continent where there are civilised countries who have civil tribunals of recognised status, if a man comes to a court in England to institute an action for a breach of a contract which ought to have been performed outside the jurisdiction of the English courts and the breach of which occurred outside the jurisdiction of the courts in England he would be told—you have your proper remedy in the courts of the country where the breach of contract has occurred and where the contract ought to have been performed. When we come to this Colony I think the circumstances are totally different from the circumstances in England. Putting aside any relation with Manila or with other parts of the world, our immediate relations are with China. I think nobody, Sir, will contend that the civil tribunals of China are yet in a state to offer proper redress to the Westerner or to the Chinese who are British born, neither do I think that anybody will contend that at present the Occidental residents of this Colony should be deprived of the right which the tribunals of this Colony afford them and be referred to the civil tribunals of China for redress. To show, Sir, that these are not merely my own opinions or the opinions of the people of this Colony but the opinions of the Government of China itself I would refer to the British Commercial Treaty of September 1902, Article XII which reads "China having expressed a strong desire to reform her judicial system and bring it into accord with that of Western nations, Great Britain agrees to do," etc. I think I have given sufficient reasons in support of my contention that the present section has a wider scope than the proposed sub-section. I should be the last, Sir, to say that conformity to English procedure is not a laudable thing, but when English procedure is brought into conflict with the interests of the people most concerned, then I plump for the interests of the people of this Colony rather than for conformity to English practice. The present sub-section was deliberately inserted by the committee of men of experience—though it included myself—who had long legal practice in this Colony and for no light reason should there be any attempt to substitute for it a section which I think is not so good. These are two matters which arise out of the Bill itself. In the second category are matters which do not arise out of the Bill. I had thought of certain amendments which might be suggested to the Standing Law Committee and only this morning I received several additional suggestions. An amendment which does not arise out of the Bill concerns Section 371 [Reads]. Now, Sir, that section is taken out of the old Hongkong Code which dates back as far as 1873, and the practice until recently on that section has been uniform. The practice has been to give to the creditor the option of whether he will enforce his judgment by means of imprisonment or by means of attachment and sale of property. I don't see why the plaintiff should be deprived of what in my opinion is his right to imprison the debtor on a judgment summons instead of being compelled to attach and sell his property. That practice has been endorsed by judges and it has not been held to be illegal, and I don't see why it should be set aside. I understand, Sir, one argument is that the only form in the Schedule is Form 30 which, by-the-by, is not marginally noted against Section 371 but against 399. The contention is that that form is part and parcel of the Ordinance and does not empower the Court to allow creditor to enforce the judgment for money by means of imprisonment, only by means of attachment and sale. Apart from the contention that that Form 30 does specifically apply to Section 371 I would beg to bring to the notice of the Standing Law Committee Section 709. So far as the forms may be incomplete, all forms at present in use may be used for the purpose of carrying out this code. When this code came into operation, there was a form which allowed immediate execution of the judgment by the imprisonment of the debtor, if he would not pay up. There seems to be no reason the practice hitherto in force under Section 371

should be changed. It is held that there is discretion in this matter. I cannot see where discretion come in. If it is considered that the practice of the Court should be maintained and the question of discretion put beyond doubt, I would suggest that the section might well be amended as follows. If the judgment is for money the creditor might at his option enforce it either by imprisonment or by the attachment and sale of the defendant's property or by both if necessary. The second matter not arising directly out of the Bill is concerned with Chapter XXV of the Code which deals with the subject of arrest and attachment before judgment. There again I understand that the practice dating back to 1873 has been recently abandoned. In the old days, and I believe still in one division of the Court, the judge has either issued or refused to issue a warrant, but now there has been a refusal to issue the warrant and a substitution of a summons for a warrant. The procedure, Sir, has been that the plaintiff takes out his writ of summons. He comes before the Court on an *ex parte* summons, backed up by affidavits, and the judge having assured himself by such investigation as he considered necessary that there was probable reason for believing the defendant was about to leave the jurisdiction has issued a warrant to the bailiff to bring the defendant before the Court that he may show cause why he should not give security for his appearance. To substitute for that a procedure the result of which allows the defendant time to run away in the interval between the issue and the return of the summons,—a direct invitation to run away, in fact—is not in my opinion called for or justified between the issue and the service of the summons a man had time to hire a launch and, putting several thousand dollars on board, get out of jurisdiction. That seems to me contrary to the spirit of this section and contrary to the experience in this Colony that the proper method is to issue a warrant in the first place so that the man shall not be able to escape. Several suggestions have been made as to the way in which the Chapter should be amended. Some are in favour of amending it by putting it beyond a doubt that there shall be no discretion in the Court to issue a summons at all but that "the Court shall issue a warrant." On the other hand it has been suggested that in Line 5 of Section 168 the words *ex parte* should be put in, and that in Sections 567 and other sections a discretion to issue a summons in cases when the Court on investigation does not consider it necessary to issue a warrant be allowed. Also that the necessity for investigation should be dispensed with, the affidavits being satisfactory. My point is that as the matter stands at present a very clear pronouncement is wanted that the uniform practice of the court should be adhered to, and that there is no discretion to issue a summons. I suggest for the serious consideration of the Standing Law Committee that some alteration should be made in the Sub-sections 567 and 672. No discretion should be allowed about issuing a summons the service of which is nothing but giving notice to the defendant to run away. Another matter deals with chapter XVII which pertains to foreign attachment. It may be within the memory of some members that Sections 457 to 463 were recently under the consideration of the Chief Justice when he delivered judgment on 7th November 1905. A difficulty had arisen as to whether Section 458 as to priority of writs of foreign attachment which reached the bailiff was applicable to cases of attachment of immovables. The Chief Justice held that it was applicable, but in his judgment indicated that the heading of the chapter was erroneous, and secondly he pointed out that the question of priority of writs of foreign attachment was difficult, and that the Code was not free from doubt. I would suggest to the Standing Law Committee that that is a matter to which they might give their consideration and add an amendment to the present Bill. There are other points with regard to Sections 158 and 168 of the Code. At present these seem inconsistent one with the other. When the Code was passed Section 168 allowed no pleading subsequent to the statement of defence without leave of the Court. That section was amended and a reply was allowed to be filed within three

weeks of the date of the service of the statement of defence, and no pleading subsequent to the reply was to be pleaded without leave of the Court. I would suggest that the words "may before reply" be substituted for the words "may within four days after service of the statement of defence" in order to bring it into conformity with the English Code, which in his case, is useful. Another matter deals with Section 423 (1), which deals with the claims of third parties to attached property. That was taken out of Indian Code. Under the last dozen words a difficulty has arisen as to the relative position of the claimant and of the judgment creditor. That difficulty was settled in India by an enactment which struck out the closing words and substituted the words as if the claimant were a party to the suit. Another matter pointed out to me, Sir, was Section 443 (3) and (4). It has been suggested that these sub-sections should be considered in the light of Section 79 (6) of the old Code. Another point is Section 278, in which it has been suggested to me, also at short notice, that the English rule in Order 27 (2 to 15) might well be incorporated in the Code in lieu of Section 278. It is suggested that Order XX. Rule 1 (a) might very well be introduced, because by that rule a special endorsement is considered in England to be a statement of claim, whereas here in the case specially endorsed writ a statement of claim is to be delivered in the same way as in an ordinary action. These, Sir, are all the points I have to bring before the notice of the Standing Law Committee when it sits. I know, Sir, there is a strong feeling among the legal community that opportunity should be taken of this Amending Bill to include all matters of practice which call for amendment. With these remarks I beg to second the motion.

The HON. MR. HEWITT—At our last meeting you stated, Sir, when the Bill was read a first time that it would be referred to the legal practitioners. A very short time has passed since then and it has not been possible for the members of that profession to thoroughly consider the Bill now before the Chamber. They have considered it to some extent, and yesterday I was approached by several legal gentlemen who asked me to lay their views before the Council. Since then some of the practitioners in the courts have evidently also approached the Hon. the Colonial Secretary who is better qualified to speak on this subject. I think, Sir, it is only right that I should endorse, so far as one without legal knowledge may, what has been said by the Hon. the Colonial Secretary with regard to section 42 (e). The objections taken to it have been fully explained by him. It is unnecessary for me to refer at length to the point which has been very clearly explained already. I would point out the difficulty which would arise by changing the present wording in the Code section 42. To my mind there is no reason why the Code should be altered. I speak as a business man not as a legal man. Suppose a man enters into a contract to supply goods in China, say goods to be delivered and paid for in Canton. The contract was originally made in Hongkong. Under the existing Code should the contract not be properly carried out it is open to the plaintiff to proceed against the defendant in the courts here, although the breach of contract would not have occurred within the jurisdiction of the court. It seems to me somewhat inconsistent that the judges of the court—I understand the Chief Justice has to some extent promoted this amending ordinance—should have made such a proposal because if my memory serves me right the present judges and their predecessors have time after time during the past years complained of the difficulties that business people have in recovering against absconding debtors from Hongkong. Yet it appears by this proposal that those difficulties are very largely increased. I fail to understand why such proposal should be made. Again in sub-section 2 of this amending section 42 there are the words "Whether such defendant is a British subject or not." Now, Sir, it is extremely difficult for any Chinese, European or American resident in the Colony to state whether any Chinese resident here is a British subject or not. If this proposal is adopted it will appear as if the Bill is going out of its way to increase the difficulties of a plaintiff proceeding against a defendant. These words are

interpolated in section 43 (2). Otherwise the two clauses are exactly the same. These are the two points on which solicitors are practically agreed. There are many other points in the Bill which they would like to be considered but the Colonial Secretary has expressed the views which they laid before me that if an amending ordinance is to be brought in it should be made thoroughly effective. It seems sound commonsense that there being no urgency for the Bill which rushed through, time should be given for greater consideration, so that there will be no occasion for introducing a second bill when the subject has been more fully considered by the members of the legal profession. There are many points in the existing Code which apparently need revision but the only one to which I will refer is the question of issuing a summons instead of a warrant. Under section 567 of the existing Code, as I am informed by those who understand the law, there should be no doubt as to the powers of the Court and I am also informed that recently that procedure has been upset and the rule that no warrant can be issued without a summons being issued in the first place is now followed. As we are all aware the large proportion of Chinese creditors are in the habit, when they find themselves in difficulties, of passing into China, where no warrant can reach them. When a debtor receives a summons, he does not wait for the warrant, but immediately removes himself and his property from the Colony. This to my mind is another instance of inconsistency on the part of those who have brought in this innovation. I would not have taken up time in referring to these points only I have been asked to do so by certain members of the profession.

The Hon Mr. GRESSON—If this Bill is read a second time does that mean it becomes law?

His EXCELLENCY—Oh, no, I think the best thing to do is to refer the Bill to the Standing Law Committee which has considerable power and may recommend that the Bill be not proceeded with or introduce certain amendments. We are not very competent to deal with the matter in the whole Council. I propose we should have the Bill read a second time and then referred to the Standing Law Committee.

The motion was agreed to.

The ATTORNEY-GENERAL moved that the Bill be referred to the Standing Law Committee.

The COLONIAL SECRETARY seconded and the motion was agreed to.

AMENDMENT OF LUNACY ORDINANCE.

The ATTORNEY-GENERAL moved the second reading of the Bill entitled An Ordinance to amend the Lunacy Ordinance, 1906.

The COLONIAL SECRETARY seconded, and the Bill was read a second time.

The ATTORNEY GENERAL moved that the Council resolve itself into committee.

The COLONIAL SECRETARY seconded, and the motion was agreed to.

On the Council resuming

His EXCELLENCY—I have to report that a Bill entitled an Ordinance to amend the Lunacy Ordinance, 1906, has passed through committee without amendment.

MERCHANT SHIPPING ORDINANCE.

The ATTORNEY-GENERAL moved the second reading of the Bill entitled An Ordinance further to amend the Merchant Shipping Ordinance, 1899, and for other purposes. He said—The object is to make effective provision for preventing obstruction in the harbour and making better provision for the issuing of licences to the masters of trading junks.

The HARBOUR MASTER—I rise, Sir, to second the resolution. With reference to section 2 of the amending ordinance, the sole section referred to has been expanded to include the words "master of junks and vessels in addition to owner of wharf and landing place." This is necessary in view of the frequent congestion caused by steam launches lying alongside or blocking the approach to vessels lying at anchor in the harbour. Hitherto there has been no special regulation dealing with that subject, and it has always been a great difficulty to ensure clear gangway. The power it is proposed to confer on the masters of vessels will no doubt be appreciated by them as by the public who

probably have all experienced at times the difficulties of going on board steamers to see their friends off. Underlying any new measure that may be brought forward in respect to the junk trade is the undeniable fact that it is of importance to the prosperity of Hongkong that the utmost freedom should be allowed to such trade which is compatible with public security. Bearing this axiom in mind and having arrived at a period when it is thought that the existing law in respect to junks could with safety be amended, this has now been done, and in the Bill now before the Council, it will be seen that its new provisions confer great advantages to the junk community and is not without its *quid pro quo* to the Colony. The principal features in the new ordinance are:—The abolition of sureties and a reduction in the number of permits. With regard to the first named, the existing law, which was framed before the New Territory was taken over, provides that a junk licence shall not be granted unless the intending licensee shall enter into a bond together with one or more sureties resident in the Colony. This was necessary as a means of exercising control at a time when a junk cargo or other Chinese boat had only to slip over the border line to, say, Sham-shui-po or Kowloon city to be under Chinese protection. The need no longer exists as boats would now have to proceed considerable distances before getting clear of our territorial waters besides having to run the gauntlet of the water police whose organisation can be relied on to cope with any cases of emergency that might arise. Another reason for dispensing with sureties is the difficulties that undoubtedly are experienced by junk owners in procuring them. The process has been found to involve a kind of monopoly as well as a system of squeezes which it is only right that junk owners should be relieved of. With regard to the number of permits that it is found practical to reduce, the present system involves endless visits to the Harbour Office or Station before the requirements of the law can be fulfilled. Thus:—A visit on arrival to take out an anchorage pass; a visit to obtain a permit to unload in a certain locality; a visit to obtain a permit to reload in a certain locality; a visit to obtain a clearance. The tediousness of having to obtain so many different permits falls more heavily on the unlicensed than the licensed junk as the latter can cover most of them by the taking out of a special permit, which is a sufficient warrant for the doing of any act mentioned therein. While therefore in the amended ordinance the special licence remains and serves as an inducement for all junks to take out licences, provision is made for unlicensed junks in lieu of permit to take out a certificate on deposit of which on arrival a receipt is given entitling the owner to discharge and load for one voyage, and which later by endorsement serves as a clearance. The *quid pro quo* I alluded to is in respect to a more uniform system of charges for junk licences on a graduated and slightly higher scale, which by reason of the abolition of sureties certain of the permits will not be appreciably felt by the junk community and should favourably affect the revenue from this source. There may be some minor points which I shall be pleased, if necessary, to answer when the Bill is in the Committee stage. I do not think there is any more to be said respecting its main features.

The motion was agreed to.

The Council then went into committee.

The ATTORNEY-GENERAL proposed an amendment to clause 2, by inserting the words on the second line "without the written permission of the Harbour Master."

This was agreed to.

Hon. Mr. E. OSBOENE referred to the nuisance caused by junks and sampans lying at the Praya wall and preventing other vessels landing.

The Bill was left in committee and the Council resumed.

AMENDMENT OF NEW TERRITORIES LAND ORDINANCE.

The ATTORNEY-GENERAL moved the second reading of a Bill entitled An Ordinance to amend the New Territories Land Ordinance, 1905. He said—The Bill is necessary in order to make it clear that the jurisdiction of the Land

Officer in the New Territory extends to the recovery of rent for land, and that the jurisdiction of the summary division of the Supreme Court is ousted.

The COLONIAL SECRETARY seconded, and the motion was agreed to.

The Council then went into committee to consider the Bill in detail.

On Council resuming, His Excellency reported that the Bill had passed through committee without amendment.

PRAYA RECLAMATION FUND.

The ATTORNEY-GENERAL moved the second reading of the Bill entitled An Ordinance to transfer to the General Revenue certain sums forming part of the Praya Reclamation Fund. He said—The title of the Bill tells the Council its object. It is owing to the Praya Reclamation account having been closed that certain sums are due to the Colonial Government.

The COLONIAL TREASURER—I second it and would add that the object of the Bill is to prevent the payment of 20 per cent. That is the real object of the Bill (laughter).

His EXCELLENCY—This has not been done surreptitiously but with the approval of the Secretary of State.

The motion was agreed to.

The Council went into committee to consider the Bill in detail.

On the Council resuming.

His EXCELLENCY reported that the Bill had passed through committee without amendment.

REGULATION OF CHINESE.

The ATTORNEY-GENERAL moved the second reading of the Bill entitled An Ordinance to amend the Regulation of Chinese Ordinance, 1888. He said—The object of this Bill is to empower the Government to extend part three of the Regulation of Chinese Ordinance to any part of the Colony.

The COLONIAL SECRETARY seconded and the motion was agreed to.

The Council then went into committee.

On the Council resuming.

His EXCELLENCY reported that the Bill had passed through committee without amendment.

His EXCELLENCY—The Council stands adjourned till 2.30 p.m. on Thursday, 20th September, when I propose to proceed with the second reading of the Bill to amend the Prepared Opium Ordinance of 1901, and the third reading of the Lunacy Bill, the Merchant Shipping Bill, the New Territories Land Bill, the Praya Reclamation Fund Bill and the Regulation of Chinese Ordinance Bill. I propose to await the report of the Standing Committee of Law on the Code of Civil Procedure Bill, and I propose to leave in accordance with custom the Supply Bill for a fortnight before bringing on the second reading if that is convenient to members.

SUR LE "JORDAN."

There are various ways in which newspaper telegrams may be innocently garbled, and probably no journal in the Far East escapes these accidents altogether. *Le Courrier d'Haiphong* of September 4th has suffered in a new way, however. Its English telegrams are telephoned from Hanoi to Haiphong. One appeared as follows:

ARRIVÉE.

On annonce l'arrivée prochaine à Pékin sur le "Jordan" du nouveau Ministre d'Angleterre, attendu aujourd'hui à Shanghai, via Canada.

The man at the Hanoi end of the telephone probably read out the name and title in English, and the man at the other end heard "Sir J. Jordan" as "sur le 'Jordan'", without reflecting that Peking is not yet a seaport. The official who sends these messages from Hongkong to the Government of Indo-China will perhaps enjoy a laugh at the transformation.

H.E. the Governor has been pleased to appoint under the provisions of Section 2(1) of the Marriage Ordinance, 1875 (Ordinance No. 7 of 1875), Mr. J. R. Wood to be a deputy registrar of marriages, during the absence on vacation leave of Mr. J. Dyer Ball, or until further notice, with effect from the 1st instant.

SUPREME COURT.

Monday, September 10th.

IN SUMMARY JURISDICTION.

BEFORE MR. A. G. WISE (PUISNE JUDGE,

INDIAN INGRATITUDE

There were several unusual features in the action brought by Bhola Singh, watchman to Chan & King, contractor, against Ahma Singh and Jug Singh for the recovery of \$20 paid by plaintiff on behalf of defendants jointly. Mr. Gardiner, from the office of Mr. O. D. Thomson, appeared for plaintiff.

It appeared that the defendants, who had booked their passage by the Canadian Pacific Railway Company, were delayed longer in Hongkong than they had anticipated, and fearing that they would be stranded they asked a compatriot to instruct a solicitor to procure for them the return of the \$100 gold deposited with the C.P.R. Plaintiff engaged Mr. Gardiner and paid him \$20 for his services, to which arrangement the defendants agreed. Mr. Gardiner performed the required services and obtained for them the \$100 gold.

The second defendant admitted that Mr. Gardiner had obtained the money for them.

His Honour—Then why don't you pay up?

Defendant—We did not agree to do so.

His Honour—But they say so, and I believe them.

Mr. Gardiner explained that the second defendant came to his office on Friday and offered him \$20, which he could not then accept, as there were expenses and costs, together with the costs of the arrest of defendant as he was going to Singapore. Then \$30 was paid into court and the case set for hearing.

His Honour gave judgment against the second defendant with costs.

Tuesday, September 11th.

IN SUMMARY JURISDICTION.

BEFORE MR. A. G. WISE (PUISNE JUDGE.)

UNSUCCESSFUL COMPANY FLOATER.

Soon Lu, of stall 167 Central Market, sued Lam Kwai-chuen, of 18 Gilman's Bazaar, for the recovery of \$70, the amount of balance due from defendant to plaintiff. Mr. d'Almada e Castro appeared for plaintiff, but plaintiff entered no appearance.

The facts were as follows:—

In July last defendant approached the plaintiff and informed him that he was about to form a company to be known as the Soi Sang Lung Fig Lau business. He induced plaintiff to take a share, and the latter, in two payments, gave him \$1,000 for this purpose. Subsequently defendant informed him that he was unable to form the company, and returned \$300. When plaintiff found that ordinary pressure did not get him back his money, he took out a summons, whereupon defendant offered \$50 in settlement of his claim. Naturally plaintiff declined.

His Lordship, after hearing the facts, gave judgment for plaintiff with costs.

Thursday, September 13th.

IN BANKRUPTCY JURISDICTION.

BEFORE THE CHIEF JUSTICE (SIR FRANCIS PIGGOTT.)

RECEIVING ORDERS GRANTED.

Re Kwong Wong Hing *ex parte* the debtor. Mr. Sw Tso said the application was for a receiving order. The creditors wished to look after the estate of the debtor, whose debts amounted to \$34,956.18 and whose assets included a house and some furniture which would realise \$24,800.

The application was granted.

Re the Chung Sang firm *ex parte* Ng Sze Fun.

Mr. d'Almada e Castro, on behalf of a creditor, applied for a receiving order. He said the act of bankruptcy was a notice

suspending payment of debts. The petitioners had filed a declaration proving the assets at \$29,000, consisting of stock in trade \$1000, good will and signboard and residue of the lease \$3,500, goods and substantial debts \$15,000, and bad debts \$500. The liabilities amounted to \$40,000 or thereabouts.

The application was adjourned pending the production of the notice suspending payment.

CHUNG SHUN KO.

The examination of this debtor had been adjourned from last week.

Mr. d'Almada e Castro said he appeared for a creditor who was willing to accept a composition.

The official Receiver said no trustee had yet been appointed by the creditors. He suggested Mr. Lowe.

The Chief Justice added that Mr. Lowe had experience in managing new property.

Mr. d'Almada objected to the appointment of Mr. Lowe. His client was the largest creditor for \$60,000, and he would prefer to be appointed.

The Chief Justice said they had discussed that fully last time. There were other creditors who had equal claims, and he thought it would be better to have an outsider.

Mr. Deacon, who appeared for another creditor, supported the official Receiver.

The order for adjudication was issued and Mr. Lowe appointed trustee.

IN SUMMARY JURISDICTION

BEFORE MR. A. G. WISE (PUISNE JUDGE).

AN INTERESTING CUSTOM.

Li Pak In and five others sued Li Shuk Min. Mr. Otto Kong Sing appeared for the plaintiffs. Mr. Atkinson, from the office of Messrs. Deacon, Looker, and Deacon, who had previously represented the defendant, did not appear and Mr. Otto Kong Sing announced that his friend had withdrawn from the case, defendant having absconded from the Colony.

It appeared that the plaintiffs were employed in the pawnbrokers' business known by the name of Him Tai at Yaumati. Defendant was proprietor of that shop and when it was sold a commission became due to the several fokis employed therein.

Evidence was called to prove the claim.

His Honour (to Mr. Otto Kong Sing)—You must understand that with regard to this practice of yours, I am not laying it down for any but this case. If in the future a case is disputed I must not be taken to have laid it down that such custom does prevail.

Li Pak In was put in the box and stated that the shop was sold for \$29,700 and that the fokis were entitled to one per cent. of that amount by a custom prevailing in the trade.

His Honour—I have never heard of a case before on this subject.

Mr. Otto Kong Sing handed in a letter from defendant's solicitors admitting that the custom did prevail.

Judgment was entered for plaintiffs with costs.

Mr. Otto Kong Sing explained that the custom was intended to keep the fokis in the shop so that the new purchaser would be able to carry on the business.

TRIPLE MURDER.

THE DEEP BAY PIRATES.

The hearing of the charge of murder preferred against five men, who had been extradited from Macao, in connection with the death of a junk man and two of his family at Deep Bay on August 2nd, was resumed before Mr. F. A. Haselard at the magistracy on September 7th. Mr. P. P. J. Wodehouse, assistant superintendent of police, conducted the prosecution.

An interesting story was disclosed by the prosecution. The principal witness, Sing Kip, who is quite a youth, lived with his uncle and his two sons and daughter on board a junk. While at How Hoi, Deep Bay, the crew of six men on August 2nd took possession of the junk. Waiting until the family had gone to bed they armed themselves with bamboos and overpowered the master and his family. Sing Kip was shut up in the hold and while there heard his uncle call out "save life" and afterwards heard the sounds of fighting on deck.

After some time the defendants came below and informed him that they had killed the master and his sons. They brought him on deck and declared that they were going to sell the girl and become pirates. They asked him to join them but he said he was afraid and they threw him overboard. For six hours he remained in the water, at the end of which time he was picked up by a junk and brought to Yaumati, where he reported the matter to the police. One of the bodies was subsequently discovered and as the result of some clever work on the part of Detective Sergeant Wilden five of the prisoners were arrested. On August 16th he accompanied the sergeant to Macao, from which they went into Chinese territory, where they met the first defendant and the girl Wong Tai. They all returned to Macao and at a certain house recognised the other four defendants.

The hearing was adjourned.

The hearing of the charges of wilful murder preferred against five of the crew of the junk *Yau Lee*, was continued before Mr. F. A. Haselard at the Police Court on September 10th.

Mr. P. P. J. Wodehouse, assistant superintendent of police, prosecuted, the prisoners being undefended.

Ip Yung was the next witness. He said he was a fisherman residing in a matched at Fat Tan. On the morning of the 5th instant he saw the body of a Chinese male aged about 21 years lying dead on the foreshore at Tung Kok in Deep Bay. The body was in a nude condition, slightly decomposed, and witness noticed a number of bruises on the back. He also saw a tortoise shell bangle on the left arm. A subscription was collected by witness from among the fishermen to raise funds to defray the cost of burial. On the 19th instant witness pointed out to the Inspector where he had buried the body, saw the grave opened and the bangle taken off the arm.

Detective Sergeant Wilden stated that from information received on August 16th he went to Macao with witness Sin Kip and P.S. 396. He crossed over to Pak Shan in Chinese territory and thence to Lam Shan Wan. On the road he overtook the first defendant; explained who he was and gave him the option of returning to Macao and assisting witness to find the other men, or of being handed over to the Chinese authorities. The defendant agreed to return, and on arrival at Macao witness handed him over to a Chinese detective of the Macao police. About an hour afterwards he went to a room occupied by Chinese detectives accompanied by P. S. 396 and the first witness. He heard a number of men ascending the stairs and told the last witness if he knew them to call out their names as they came up. The witness picked the four men out of the number marched up the stairs, and the detective saw them lodged in jail, applied for their extradition to Hongkong, which was granted, and brought them back to this Colony.

When the evidence concluded, defendants made their statements, after which they were committed for trial at the Criminal Sessions.

A GAMBLER'S END.

Before Mr. H. H. J. Gompertz and Messrs. M. Souza, W. L. Weaser and L. E. Lammert, jurymen, an inquiry was held at the Magistracy on September 11th concerning the death of a coolie named Tai Cheung, who fell from the verandah of No. 2 Po Yan Street in the Central District on the 5th instant.

The evidence adduced showed that the house at No. 2 Po Yan Street was raided by Sergeant Watt and a posse of police on the night of the 5th instant under a gambling warrant. When the police entered the house a large number of people were gambling. These made frantic efforts to escape. Deceased got over the balcony and endeavoured to climb down a down-pipe. He was descending rapidly, and on coming to a joint in the piping, lost his hold and fell to the ground, a distance of 35 feet. Death was instantaneous.

The medical evidence showed that deceased died from shock. He had a fractured skull, eight broken ribs, a fractured spine, a ruptured liver and several minor injuries.

The jury returned a verdict of death by misadventure.

WHOLESALE MURDER IN A CHINESE VILLAGE.

The hearing was continued of the application by the Chinese Authorities at Canton for the surrender of Tsoi A-yuan late of Pi Chung village in the Namhoi district, who is accused of the commission of the crime of murder within the jurisdiction of China.

Chief Detective-Inspector Hanson made the application for the defendant's extradition.

Chan Kwong was the first witness. He said he was a butcher residing at Pi Chung village in the Namhoi district. In the second moon of this year he was employed at the Tung Chan cattle depot. A man called Chan Kai was the master. On February 24th he was in the cattle depot and arose as usual at 3 a.m. to kill cattle. He had finished killing about six o'clock. Among other persons then present were the master of the depot and the defendant. The defendant accused a foki named Lo Cheung of being a mischief maker, but the latter said nothing. Then defendant went upstairs, but came down again shortly afterwards. Lo Cheung was then folding up some hides. Defendant approached him from the rear and shot him in the head with a revolver. The foki fell, and then the defendant put two more bullets into him. After that witness ran home, and about half-an-hour afterwards told three village watchmen what had happened. He returned with them to the cattle depot, but defendant was not there. They saw the dead foki lying where he had fallen. In consequence of the murder the slaughter house was closed, and witness had not done any work since then.

Chan Hoi, declared, told the Court he was accountant in the new slaughter house which was opened by Chan Kai on May 9th. On August 9th witness arose at 3 a.m. with the other employees to kill bullocks. Chan Kai was present, but not the other partner, Chan Fun. The defendant entered the depot at 3.30 a.m.

His Worship—Why wasn't he arrested for the murder of Lo Cheung?

Witness—I heard the matter was squared by a payment of money to Lo Cheung's elder brother.

Continuing, witness said that when defendant called at the depot he asked him for the loan of a rifle, as he wished to smuggle some salt. He put him off by saying the rifle was with someone else. Defendant then left, but returned half-an-hour later and said the rifle was at the depot. Witness told another foki to give it to the defendant and it was handed to him, together with a bandolier. Defendant loaded the rifle with eight cartridges, and went to the front of the shop and fired two shots. Then a foki ran into the depot and said he was shot, falling down shortly afterwards. Defendant then entered, followed by a watchman who attempted to arrest him. The defendant turned round and fired a shot at him, but missed, and the watchman closed with him. Defendant dropped the rifle, and when he closed with the watchman the depot cook appeared with a large butcher's knife and chopped defendant on the back. Then defendant drew a knife and stabbed the watchman in the abdomen. Witness then saw the cook run away, and the defendant also ran. He came out from the shop, and saw that the watchman was dead.

The case was adjourned.

STEALING "GHOSTS' CHOW."

Sergeant Gordon of No. 7 Police Station charged Wong Kam-pui with being a rogue and a vagabond, also with furnishing pawnbrokers false particulars.

Wong's roguery consisted of the unpardonable sin of robbing the dead. On Monday the rich coolies of West Point adjourned to the hillside to "joss" their ancestors' graves. They were accompanied by a number of the riff-raff who gather like vultures on such occasions for the purpose of appropriating the fatted pork cakes and other delicacies which are spread out to allay the hunger of the forebears of the worshippers. Wong was one of these plunderers, and so great was his desire to partake of the good things provided that he was unable to wait until the worshippers departed. Snatching up a piece of pork and a cake he dashed down

the hillside, with the son of the ancestor thus robbed in hot pursuit. So great was Wong's speed that he was unable to pull up when Pokfulam Road opened to view before him, and dashing over the embankment he tumbled on the road below. His pursuer was hard behind him, and did not wait to pick up the chow Wong had dropped. The coolie, when he found the pace so warm, decided to remain where he had fallen, and resorted to strategy. Wong feigned death, and so successful was his acting that an ambulance was sent for. He was placed in it, removed to No. 7 Police Station and from there to the Government Civil Hospital. The doctor, however, refused to receive him, and Wong was returned to No. 7 and placed in a cell for the night, preparatory to appearing before the Court. When he was searched five pawn tickets were found on his person, on each of which he had given a different name and address.

His Worship sentenced the defendant to six weeks' hard labour and six hours' stocks, and recommended him for banishment.

HOW TO DEAL WITH TRIADS.

A POLICE RECOMMENDATION.

That the membership of the society of Chinese political discontents is increasing in Hongkong, police records seem to show. A "record" was established at the Police Court on Sept. 14 when Mr. F. A. Hazeland tried three men who were charged with being members and found to be active members of the Triad Society. The first man arraigned was arrested by Inspector Dymond at Aberdeen while collecting subscriptions for the society. His Worship after hearing the evidence sentenced him to four months' imprisonment and six hours' stocks. A similar sentence was passed on a man arrested at Yau-mati. Inspector Macdonald told his Worship that this defendant had in his possession the insignia for initiating members. The third man was arrested during a disturbance at West Point. As he was suspected of being a Triad, his residence was searched, and there was found a box of documents which left no doubt that he was an active member. He was what is known in the society as "a man of the grass sandals"; that is, a man whose duty it is to see that punishments inflicted by the society are carried out by those who are entrusted with the task. Another sentence of four months' jail and six hours' stocks was passed by his Worship, who remarked that the Triad Society appeared to be expanding, and he hoped something would be done to check such expansion.

Inspector Collett pointed out the great difficulty under which the police laboured owing to the wording of the Ordinance, in which it was laid down that unless a meeting of Triads was actually in progress a magistrate had not power to issue a warrant. These meetings, as a rule, were not held until midnight, or the early hours of morning. The magistrates were then at the Peak, so the hands of the police were tied.

His Worship suggested that in such an instance a warrant might be taken out under the Arms Ordinance, as nearly all triads carried arms.

Inspector Collett pointed out that what was necessary was an amendment of the Ordinance so that if the Police had cause to believe a meeting was to be held they could apply to a magistrate vested with the necessary power to issue a warrant.

DEATH OF CAPT. J. C. SAUNDERS AT AMOY.

It rarely happens that the journalist in China has to write the obituary of a European who passes away in this land of his adoption at the ripe old age of seventy-seven. This was the age of Captain J. C. Saunders of Amoy, news of whose death reached the Colony on Sept. 13. The greater part of his long life had been spent in China, and he was consequently widely known to the men of the mercantile marine engaged in the coasting trade who will read of his demise with regret. Capt. Saunders held appointments at Amoy as marine surveyor to the Board of Trade, Bureau Veritas, and the German Lloyd as well as to local offices, and he was also attached to the British Consulate as emigration surveyor.

DEATH OF MR. E. W. MITCHELL.

On Sept. 12 the sad intelligence reached Hongkong by cable of the death of Mr. Edward W. Mitchell, partner in the firm of Messrs. Caldbeck, MacGregor and Company, wine and spirit merchants, and the news will be received by all who knew him with the most profound regret.

Mr. Mitchell, accompanied by his wife and family, left for home in April last for a short holiday. Although he had been in indifferent health, nothing serious was anticipated, and it came as a shock to those of his friends who learned that he had passed away at Bedford on the 7th inst., the cause of death being apoplexy. The deepest sympathy is extended to the sorrowing widow and the seven fatherless children.

The deceased who was 51 years of age was educated at Uppingham and came to China in 1878, when he joined the firm of Thomas Rowe and Co., tea merchants, in Canton, afterwards—when the firm went into liquidation—setting up in business for himself. In 1889 he came to Hongkong to establish the local branch of Messrs. Caldbeck, MacGregor & Co., taking over the agency held by Mr. Levy. Since that time he has been in charge, and prior to his departure was the senior member of the firm in the East. About fifteen years ago he married Miss Margaret Lammert, and the issue of the union was five boys and two girls.

Mr. Mitchell, about whom only words of praise are heard, had a very winning personality, and all who came in contact with him succumbed to the charm. Urbane and kindly, never ruffled in temper, he was a most lovable man whom one of his admirers described as "one of God's own." No appeal for assistance was ever made to him in vain, and many an individual and many a cause has benefitted by his unostentatious generosity.

His death will cause a great blank in the social life of the colony. Keenly and actively interested in all sport, he did much good work for the V.R.C., on the committee of which he sat for some time. He was the president of the Hongkong Cricket Club and furthered those interesting interport matches. A steward of the Jockey Club, he was prominently associated with the various race meetings, and at the last, in February of this year, his horse Zapeter brought him three successes. Moreover, he was a generous supporter of the Royal Hongkong Yacht Club, and in a word, was one of the most active patrons of sport in the Colony. But it was in connection with the Amateur Dramatic Club where his greatest work in social life was seen. No matter how humble or pretentious the production attempted by the A.D.C. it was stamped with his personality. As a stage manager he had few equals. His tact and ability ensured invariable success, and his genius enabled him to overcome all difficulties. It is a melancholy fact that since he met with a mishap last New Year's Eve by tripping over a footlight and falling on his head he had never been the same. Mr. Mitchell had also been P.M. of the Perseverance Lodge of Freemasons. He was a J.P., and although he took a keen interest in local affairs he never allowed himself to be nominated for a seat on either of the governing bodies. Certainly Mr. Mitchell was a man whose place will not be easily filled and whose loss will be mourned by many on the China coast.

A LOST ISLAND.

Captain Pennefather, master of the s.s. *Shantung*, reports the disappearance of Matador Island in the South Pacific Ocean. While on a voyage from Callao in Peru to Sourabaya in Java he passed on the 6th August directly over the charted position of the island, latitude 1-30 north, longitude 1-57 east, Admiralty Chart, 781. He saw no indication of its existence or of any discoloured water. In passing Maraki Island, Gilbert Group, he found by observations that the chronometers were correct.

For some time there has been a belief that the island had disappeared, but Captain Pennefather is the first to prove the correctness of the supposition.

THE FIFTH GYMKHANA.

BETTER SPORT.

The fifth meeting of the Gymkhana Club was held at Happy Valley on September 8th under favourable weather conditions. The attendance, unfortunately, was not so large as usual, but the racing was considerably better than has been witnessed at any of the previous meetings this year. Although there were only three starters in the Challenge Cup, they were all "straight goers" for the prize, which was won by Mr. Master on Blue Nile after an exciting race. The three-quarters and mile and a quarter flat races were also worth seeing. There was no hurdle race owing to the small number of entries, but the committee substituted the event by a time race in which a field of fifteen faced the starter. His Excellency the Governor arrived while the first race was in progress and viewed the proceedings from his stand. The Pari Mutuel clerks were busy, as usual, but were not called upon to disburse any large dividends. The afternoon's proceedings were considerably enlivened by the selections of music played by the band of the Royal West Kent regiment.

Results of events are as under:—

ONE MILE AND A QUARTER FLAT RACE. HANDICAP.—For all China Ponies. Non-winning Jockeys allowed 5 lb. Entrance fee \$5. 1st Prize: A Cup presented. 2nd Prize: \$25. (Entrance fees to go to winner.)

Mr Hickman's Roscommon	9st 9lb 5lb	...
	Allowance (Owner)	1
Mr Brutton's Preston	11st 0lb	(Owner) 2
Mr Clarke's Pathan	10st 3lb 5lb	Allowance (Owner) 3
Mr Macdonald's Highland Gillie	11st 4lb	...
	(Mr Gegg)	0

Roscommon made the most of a good start and led the field. As the village was passed, however, he was supplanted by Highland Gillie who, in turn, was challenged by Pathan. The latter pony was in the van as the judge's box was passed for the first time, Roscommon being second and Highland Gillie third. Passing Bowington Roscommon again assumed the lead and made the pace. Going up the incline Pathan drew into second place but gave way to Preston which pony till then had been lagging in the rear. Roscommon, Pathan and Preston passed the village in a bunch, while Highland Gillie who was a considerable distance behind appeared to be played out. Notwithstanding the quickness of the pace Roscommon had made, he again responded to his rider when the straight was entered, and although hard pressed by Preston, whose owner rode an excellent race, he managed to beat him on the post by a head. Pathan ran a bad third. Time—min. 47-4/5 secs. The Pari Mutuel paid a dividend of \$28 on the winner.

DISTANCE HANDICAP—OPEN TO ALL COMERS.—For all Horses, Ponies and Donkeys. Description (whether waler, country bred, China pony or donkey, &c.), name and height of animal, and standing weight of rider to be given. Entrance fee \$5. Two Prizes:—One to go to winner and the other to the first heavy-weight (over 12 stones) past the post. First Prize: presented by G. K. Hall-Brutton, Esq. Heavy-weight Prize: presented by the Club.

	Standing weight	Yards.
	lbs. in.	of riders
Mr Hyne's Ingot	13 0	143 120
		(Mr Brutton). 1
Father O'Flynn's Mer-		
rymita	12 2	127 100
		(Mr Gresson). 2
Mr Godfrey Master's		
Mango	12 3	148 170
		(owner). 3
Capt. Colman's Linkman	13 1	162 150
		(owner). 0
Mr Ottery's Aethelbert	13 1	130 50
		(Mr Deacon) 0
Mr Reinbek's Saxonia	12 3	190 200
		(Mr Trefenbacher) 0

No donkeys, thoroughbreds, or racing animals other than China ponies faced the starter in this event. The six who dashed off when the shot was fired ran their race round the course but kept a good distance apart. When some of the ponies passed the rock it was manifest to all

spectators that there were only two in the race—the two greys, Ingot and Merrymite, who galloped side by side like the white steeds which carried Macaulay's white knights. Ingot, however, managed to crane his neck ahead of Merrymite on the winning post and was declared the winner; a dividend of \$12.70 was paid on him.

GYMKHANA CLUB CHALLENGE CUP.

Distance one mile.—For all China ponies. Catch weights at 10st 6lbs. Winners of an open race or open griffin race 5lbs. extra. Non-winning subscription griffins allowed 5lbs. Non-winning Jockeys allowed 5lbs. To be won by the pony scoring most marks in the races for the cup, counting 4 points for a first; 2 for a second; and 1 for a third. The benefit of marks already scored to pass with the pony on a sale. Any winner of the race to carry 5lbs. extra for each win in subsequent starts for the cup, but in the event of a pony carrying the penalty not winning 2lbs. to be deducted next time he starts. Penalties accumulative up to 15lbs. Entrance fee of \$5 to go in the purchase of a memento to the winner of each race, and \$25 to second pony out of the club funds. At the conclusion of the season a cup, value \$100, will be presented to the owner of the pony obtaining the second highest number of marks.

Mr Godfrey Master's Blue Nile 11st 2lb ... (owner) 1
Hon. Mr W. J. Gresson's Ionic 10st 6lb ... (Mr. Dupree) 2
Mr Brutton's Kingston 11st 0lb ... (owner) 3

Although a disappointment as regards the number of entries, the Challenge Cup proved the best race of the day. After considerably more trouble than would have sufficed to start 20 ponies the field got away, Ionic on the rails, then Kingston and Blue Nile on the outer course. Ionic took the lead, Kingston following behind and Blue Nile bringing up the rear. Thus they raced until the foot of the incline was reached, at which point Ionic had increased his lead by some lengths. Going up the hill, however, the field closed up and on emerging from behind the rock were in close order, but still in Indian file. The order was the same until the straight was entered when the skill of the riders and the endurance of the ponies were called for. Master's jockeyship was so good that almost before the others realised it he had assumed the lead. The riders of both Ionic and Kingston urged their steeds to their utmost. Kingston did his best, but was unequal to the occasion. So was Ionic, although he stayed longer than the former. He made a bold bid to prevent Blue Nile carrying off the cup, but the latter pony beat him by a couple of lengths. Mr. Master was loudly cheered for the excellent race he put up, and will in due course be presented with the Challenge Cup which he has so deservedly won. Time—2 min. 11-2/5 secs. The dividend paid on Blue Nile was \$11.10.

LADIES' NOMINATION. — "Aunt Sally"

Race. — Dolls to be placed at intervals across the course. Gentlemen to start mounted opposite Judge's box. On a given signal they are to ride to a point indicated and there dismount, pick up a bundle of sticks and return to starting point, when they will hand the bundle to their respective nominees. The prize will be won by the lady who knocks down her doll in the least number of throws and in the shortest space of time. Entrance fee \$3. 1st Prize: presented by the Club. 2nd Prize: presented by the Club.

Mr. Belgrave, nominated by Mrs. Kitson ... 1
Mr. Dupree, nominated by Miss. Barner-Lawrence ... 2

This event brought forth seven starters. The gentlemen rode to a certain point where they secured a bundle of sticks with which they raced back to their nominees. A bundle contained about ten sticks, and with these the ladies were required to knock down a Japanese doll, seven of which were attached to posts stuck in the ground. For a time the sticks shot up into the air and fell again like a shower of hail, but the dolls remained stationary. When nearly all of their ammunition was spent, only the two ladies before mentioned were successful in knocking

over dolls. The rest of the dolls remained upright, "aggravating" monuments of woman's most notorious incapacity.

5.—6 p.m.—THREE-QUARTERS OF A MILE FLAT RACE. HANDICAP.—For all China ponies. Non-winning Jockeys allowed 5 lbs. Entrance fee \$5. 1st Prize: A Cup presented by Sir Paul Chater, Kt., C.M.G.. 2nd Prize: \$25. (Entrance fees to go to winner.)

Hon. Mr W. J. Gresson's Ionic, 11st 2lb ... (Owner) 1
Mr Clarke's Lashmere, 11st 0lb ... (Mr Dupree) 2
Mr Ottery's Red Herring, 10st 6lb ... (Mr Mackie) 3
Mr Clarke's Pathan, 10st 7lb ... (Owner) 0
Father O'Flynn's Merrymite, 9st 8lb ... (Mr Gresson) 0
Mr Hickman's Roscommon, 10st 0lb (Owner) 0
Mr Hyne's Ingot, 10st 6lb (Mr Brutton) 0
Mr Ottery's Aethelbert, 10st 3lb ... (Mr Deacon) 0

A fast race and a fairly large field. A good start was witnessed and the ponies were bunched throughout. The red jackets of Pathan and Lashmere were to the fore until the village was passed. Then Ionic and Red Herring drew ahead of Pathan and level with Lashmere. The pace up the straight was a fast one and Ionic was first past the winning post, with Lashmere a good second and Red Herring well up in the third place. Time—1 min. 38 secs. Dividend \$16.50.

TIME RACE.—DISTANCE 1 MILE.—OPEN TO ALL COMERS. Conditions:—Ponies must complete the course within a given time, which will be declared after entries are closed. They must be continually on the move and time cannot be filled in by turning and going over ground already covered. First Prize to go to pony past the post nearest within time limit. 2nd Prize: \$25.00. Entrance fee: \$5.00.

Mr. Deacon, 3 min. 42-4/5 secs. ... 1
Mr. Dupree, 3 min. 36-1/5 secs. ... 2

The time in which the ponies were required to complete the course in this race, selected by H.E. the Governor, was 3 min. 43 secs. There were fifteen starters in the event, which was a go-as-you-please affair, the stamina or speed of a pony being of no consequence. The rider's judgment of time was the object, and Mr. Deacon was very close to the time selected by His Excellency.

HONGKONG COTTON SPINNING WEAVING AND DYEING CO., LD.

The ninth ordinary meeting of shareholders in this company was held at the offices of the General Managers, Messrs. Jardine, Matheson and Co., on September 8th. There were present Hon. Mr. W. J. Gresson (Chairman), Sir Paul Chater and Mr. A. G. Wood (Consulting Committee), Mr. A. Brook Smith (Secretary), Messrs. C. H. Ross, A. Shaw, H. Gittens, F. Smyth, Yuen Hop, H. U-shang, Lo Cheung-shui, Fok Kam-yen, Cheong Ming and Dor Fuk.

The SECRETARY read the notice convening the meeting, after which—

The CHAIRMAN said:—Gentlemen: [Subject to your approval, I propose to take the report and statement of accounts, which have been in your hands for several days, as read. During the first five months of the year covered by the accounts now before you, a very satisfactory demand was experienced for our yarns, but the same cannot be said of the period since January last. The outlook in May was so discouraging that the General Managers decided to resort to "short time", and, in the absence of any improvement in the demand for Yarn, the Mill's output is still confined to very moderate dimensions. I may mention, however, that everything is in readiness for again running "full time" directly the position warrants such a course being adopted. Whilst the outlook does not lead one to anticipate much activity in the near future, I incline to the opinion that, once trade is adjusted to the present high level of exchange, we may reasonably expect to find an outlet for all we can produce. Some of you will doubtless

recollect that in 1902, when telegraphic transfers on London touched 1/64, we also passed through what may aptly be termed an adjustment period. During the latter part of that year we sold very little, but, as dealers were then realizing good profits on contracts effected at higher rates of exchange, deliveries were not unsatisfactory. For the past few months the reverse has been the case, and I regret to say that there have already been some serious failures among the local native yarn merchants, which have adversely affected the yarn business. It is satisfactory to note that indications point to good crops of cotton in America and India, an essential factor for the welfare of the cotton spinning industry. Your property is in first rate condition, and all stocks have been taken over at safe valuations. It is with deep regret that I inform you of the death of our spinning master, Mr. Robert Saxon, which occurred on 25th August from malignant malarial fever. Mr. Saxon was with us for over seven and a half years, during which time he carried out his duties to the complete satisfaction of the General Managers. Before asking you to pass the report and accounts, I shall be pleased to answer any questions concerning them.

No questions being asked, the CHAIRMAN proposed that the report and accounts as presented be adopted and passed.

Mr. SMITH seconded, and the motion was carried.

Mr. L. CHEUNG-SHUI moved the re-election of Sir Paul Chater and Mr. A. G. Wood to the consulting committee.

Mr. FOK KAM-YEN seconded the motion to which shareholders agreed.

Mr. YUEN HOP proposed the re-appointment of Mr. W. Hutton Potts as auditor.

Mr. GITTENS seconded the motion which was carried.

The CHAIRMAN—Dividend warrants will be ready on Monday. Thank you for your attendance, gentlemen.

SHAMEEN MUNICIPAL COUNCIL.

OFFICIAL MINUTES.

The following report of the recent meeting of Shameen ratepayers is official:—

A meeting of the land-renters and ratepayers of the British Concession, Shameen, was held at the British Consulate-General on Saturday, September 8th, for the purpose of considering the framing of Municipal Bye-Laws governing the erection of buildings on the Concession, with a view to keeping such buildings within limits calculated not to endanger the foundations of surrounding property, and also to prevent the erection of unsightly or insanitary structures.

The meeting was presided over by R. W. Mansfield, Esq. C.M.G., the British Consul-General, and 128 votes were represented.

The CHAIRMAN opened the proceedings by stating that, although this question had been raised through the proposed construction of a five-storied building on Lot 14, he wished it to be clearly understood that no international feeling entered into the matter. The question would have been raised equally had any other property holder contemplated erecting a similar structure, and it must in any case have come up of necessity sooner or later owing to the rapid development of the Concession and to the absence of any Regulations governing the erection of buildings.

After some further remarks from the Chairman, bearing upon the mode of procedure to be followed as laid down by the Land regulations of the Concession, the following resolution was proposed by Mr. H. BENT and was seconded by Mr. A. V. Hogg:—

"That, within the limits of the Concession, no building shall be erected exceeding sixty feet in height, measured from the bund coping to the highest point of the building proper, not including chimneys, and that the Council be instructed to prepare a Regulation or Regulations embodying the above resolution and providing for supervision of buildings, on the lines obtaining on other Concessions. Such Regulation or Regulations to be laid before a General Meeting of Land-renters and Rate-payers, which shall be convened as early as feasible."

In support of the resolution, two letters were read from firms of Hongkong architects, both of whom have at different times made surveys of the Concession, expressing the opinion that, owing to the unstable formation of the island, consisting as it does of mud and sand, no building should be allowed of a greater height than sixty feet. Further, that the piling, trenching and pumping operations necessary for a building of greater altitude must almost certainly result in damage to adjacent buildings through the shifting of sand, etc., from under the foundations of such existing buildings, as caused by the said operations.

Mr. PAGET, of the local firm of Purnell and Paget, architects, opined that the point was a technical one, that the letters just read amounted merely to a question of opinion and that other opinions could be obtained. He stated that the borings made on Lot 14 in connection with the proposed five-storied building showed alternate strata of sand and mud to a depth of 55 feet, after which red clay was arrived at. The borings were not continued beyond this point, but he was prepared to affirm that the foundations as planned were capable of supporting a building several stories higher than the one contemplated. He further stated that he could obtain technical opinion showing that the above letters have no bearing on the point at issue.

Mr. ENT remarked that the principal point at issue was possible damage to neighbouring buildings.

Mr. ZUNDEL, of Arnhold, Karberg & Co., the owners of Lot 14, objected to the sixty foot limitation as unreasonable. He stated that, before commencing operations, he had applied to the Municipal Council for permission to erect the proposed building. He pointed out that the various contracts had now been placed, materials purchased, and enlarged upon the awkward position in which his firm might be placed by the present proceedings. He further enquired whether, in the event of the resolution being passed and confirmed, it would become operative upon the proposed building.

The CHAIRMAN stated that the Council has no right under existing Land Regulations to place any restrictions on the size of buildings. He read a communication from H. M. Office of Works in Shanghai giving it as the opinion of the Crown Advocate that no such resolution can be made retrospective, but that a resolution limiting the height of buildings would apply to buildings in course of erection which have not yet attained the limit of the restriction. He informed Mr. Zundel that he was at liberty to present his case in writing within ten days from the date of the meeting, and he intimated his willingness to, in this instance, submit the same to H.M. Office of Works.

Mr. GRIFFITH, Chairman of Council, stated that no request had ever been made to the Council for permission to erect the building in question. The only letters received by the Council were from the architects, Messrs. Purnell and Paget, requesting the usual permission for use of public ground for storage of material, etc.

Mr. PAGET thought Mr. Zundel was somewhat in error in stating that the Council had been applied to for permission to erect the building. The letter in question was one addressed to the Council by Messrs. Purnell and Paget on 26th April last, and only asked for permission to erect hoardings outside the limits of Lot 14 and to store building material on public ground, in connection with the work to be undertaken on said Lot.

The vote was then taken and resulted in 105 for and 14 against (9 votes not being recorded), giving a majority of 91 in favour of the resolution.

At noon on Sept. 13 at No. 3 Ship Street, Mr. A. Day, formerly a ticket inspector in the employ of the Electric Tramway Co., attempted suicide by cutting his throat with a razor. The cut was not deep enough to cause death, and when he was discovered sometime afterwards, and a Japanese doctor called in, the medical man made good the damage done. Day was removed to the Government Civil Hospital where he will undergo supervision.

WEIHAIWEI SCHOOL.

PRIZE DISTRIBUTION.

The fourth annual Prize Distribution took place at the new school house on 2nd August. Sir Havilland de Sausmarez presided, and distributed the prizes. Later in the afternoon aquatic sports were held, and Mrs. Stewart Lockhart presented the trophies to the winners.

FUTURE OF WEIHAIWEI.

The Head Master, Mr. H. L. Beer, read his annual report, of which the following is a condensation:—At our Prize Distribution last year two official letters were read anent the future of Weihaiwei. Rumours as to the intentions of the British Government have been persistent this year too, and you may have noticed the formal denials of these reports that have recently been published in sundry papers on the China Coast. I have also seen another letter written by one in a position to know the facts, who states that "negotiations" as to the rendition of Weihaiwei by Great Britain to China "have not even been suggested by either side." Taken with the official statements in Parliament these contradictions of false reports should satisfy the ordinary man; but capital is proverbially shy, and investors interested in the development of the Colony may prefer to wait a more definite pronouncement. We may take courage from the historical fact that the English are not in the habit of surrendering a territory, once acquired, from motives of philanthropy; but rather, having once obtained possession, it has been our custom to increase it,—to add to it other territory. This is, I believe, the history, in brief, of the growth of our largest colonial possessions. We may now, I think, safely conclude that the British flag will fly over the Territory of Weihaiwei for the next seventeen years at least. As a school—in common with all others who have interests in the colony—we have, of course, suffered to some extent from the uncertainty that, with more or less reason, has existed about our future political status. Several parents of boys even now in the school giving too much credit to newspaper reports, have written asking what we intended to do now that Weihaiwei was to be given up! People have said to us "why do you still stick to a sinking ship?" But, Sir, we have yet to be persuaded that the ship is sinking. We believe that Weihaiwei with its magnificent climate, its splendid harbour, above all because it will remain under British rule, has a great future before it. In the mean time we wait till security of tenure is more assured and we have every reason to be satisfied with the measure of success the school has attained. Last Prize Day we had 33 boarders, and towards the end of year the number was increased to 35. Several of these, however, were boys who came and went like birds of passage, and who for one reason and another were here for a year or part of a year only. To-day we have 26 boarders. Weihaiwei was chosen by us as the best place on the China Coast for a school, on account of its healthy climate.

In 1904 the doctor paid only three professional visits to boys here, and since last Prize Day medical aid has been sought for an inflamed finger, a small abscess in the ear, and a strained wrist.

CHAIRMAN'S REMARKS.

Sir Havilland de Sausmarez said, with regard to the question of the future of Weihaiwei, that he wished he was in a position to add something definite to what had already appeared. He did not intend to prophesy, and for two reasons: first, that a man should not prophesy unless he knew, and secondly he (Sir Havilland) did not know. (laughter). But he had a suggestion to make. He would advise all who felt anxiety, as to the Colony's future to get hold of Sir Edward Grey and Lord Elgin and compel them to spend the hot months of the early summer at Hongkong, Shanghai or in the Straits Settlements, and then let them come to Weihaiwei for a change. He had no doubt a definite decision would be reached promptly (hear, hear). Seriously, however, he saw no reason why the British Government should give up Weihaiwei, and he thought that, for the present at any rate, they might make their minds easy.

THE COMMISSIONER TALKS.

His Honour the Commissioner, in proposing a vote of thanks to the Chairman, said he congratulated the school on having Sir Havilland de Sausmarez to preside at the Prize Distribution (hear, hear). He sincerely trusted that the boys would always appear before a judge under the same favourable auspices (laughter). The rumours as to the future of Weihaiwei were as endless as astonishing. It was surprising how persistency in the spread of such reports made people believe them (hear, hear). Some newspapers seemed to know a great deal more even than the responsible authorities, for they published the terms on which Weihaiwei was to be given back to China with a precision that made untruth almost appear real. But though these false rumours had been in existence for months the fact remained that the British flag still floated over Weihaiwei, and Mr. Runciman had stated in the House of Commons that nothing had occurred to affect the British lease of the Territory (hear, hear).

PRIZE WINNERS.

Form IV. "Dux Prize":—J. P. Moller.
Improvement Prize:—C. C. Walker.
Form III. "Dux Prize":—S. M. Toulmin.
Improvement Prize:—E. G. Grimble.
Form II. "Dux Prize":—E. Munsie.
Improvement Prize:—W. F. Paxton.
Form I. "Dux Prize":—R. D. Lammert.
2nd Prize:—M. E. Beer.
Improvement Prize:—H. Clifton.
Languages (Latin, French, German):—W. J. Roope.
English Subjects:—W. J. Roope.
Mathematics (Arithmetic, Algebra, Geometry):—J. P. Moller.
Scripture History:—S. N. Toulmin.
Conduct Medal:—W. F. Martinson.

CORRESPONDENCE.

THE LATE LOUIS SPITZEL.

TO THE EDITOR OF THE "DAILY PRESS."

Hongkong, September 10th.

DEAR SIR,—The magnanimous obituary given by "Ruter's Service" to the late Mr. Louis Spitzel, as European advisor to or of Li Hung-chang, if not for a purpose the future only may reveal, is, to say the least, unconfirmed.

In 1892-3 Mr. Spitzel, as a jeweller, was introduced by General Wm. Mesny, of "Mesny's Miscellany" to Li, as possessing a magnificent diamond. The introduction led to favours at arsenals and mints, in due time, so that jewels were set aside for obvious reasons.

The subject of this world-wide obituary had sufficient business talent to refuse to deal in small matters, and had more zest for risks of some magnitude. He was much respected by his competitors, and admired by all for not dealing with foreigners.

The office of Mr. Spitzel was closed at Shanghai in the early spring this year.—Enclosing my card, I remain, dear Sir, yours faithfully.

CHINA HAND.

HONGKONG'S MORTALITY RETURNS

TO THE EDITOR OF THE "HONGKONG DAILY PRESS."

SIR,—Referring to your observations on the death-rate among Europeans in Hongkong, I remember before coming to the colony consulting some statistical tables to get an idea of the salubrity of the place, and was agreeably surprised to find that the rate of mortality among Europeans was on a par with that of Bourne-mouth and below the rate of many other of the health resorts of the United Kingdom.

A year's residence in the colony sufficed to show me how misleading these figures really are, judged, as I judged them, in comparison with the returns for the healthiest towns in England. You have enumerated many of the factors which explain the low death rate here but there are two others of importance which should be taken into account.

In the first place, the observer can not fail to notice how small a proportion of old men we have in our community; and the explanation is

of course to be found in the fact that very few men are content to pass the whole of their days in Hongkong. They prefer "to husband out life's taper to its close" in the homeland, and thus the returns include very few deaths from senile decay. The other important factor is the exodus of invalids; for few Europeans who fall into ill-health remain in the colony to die if they have the wherewithal to leave it.

The same observations are applicable to the death rate among the Chinese residents in the colony, and it is not improbable that among these the percentage of invalids who quit the colony to die is very much greater than among the European community. The average Chinaman, though he has lived in the colony a quarter of a century or more, takes the earliest opportunity of returning to his native city or village when sickness and the fear of death come to him. In the plague season the least symptom of fever is sufficient to cause many of them to be off by the first steamer, and employers of labour in Hongkong are well aware that this factor tells in favour of the colony's death rate, and explains how it comes about that the death rate among Chinese in Hongkong figures out below that of the majority of large centres of population in Europe.—Yours &c.

RESIDENT.

SUN YAT-SEN AGAIN.

CHINESE REBELLION PROMISED FOR NEXT MONTH.

The well-informed writer of "native notes" in the *N. C. Daily News* says on Sept. 7th:—

As may be remembered by our readers the high officials who were appointed by the Throne to supervise the Army Manœuvres next October are Their Excellencies Viceroy Yuan Shih-kai, of Tientsin, and Chang Chih-tung, of Wuchang. A private dispatch received from the last-named city now states that Viceroy Chang Chih-tung has lately received information from the South of such an alarming nature that the chances are considerably against his Excellency's leaving Wuchang at all. It appears that Viceroy Tsen Chun-hsuen of Canton, "from information received"—when and from whom does not transpire—has heard that that arch conspirator and anti-monarchist "Dr." Sun Yat-sen (also known as Sun Wen) intends to take advantage of the Army Manœuvres in Honan province to start a rebellion in the Yangtze Valley, during the absence of the best troops of the Hukwang Viceroyalty under the command of Viceroy Chang Chih-tung. As only a certain portion of the Hupeh Army have been detailed to take part in the Manœuvres there will be no change of programme, except that in all likelihood Viceroy Chang Chih-tung will under the circumstances remain at Wuchang to watch events instead of going up North. It is claimed that Sun Yat-sen and his fellow anti-monarchist conspirators have, during the past six months been busily engaged in making an alliance with the Kolao Hui and other revolutionary secret societies in the Yangtze Valley and preparing a rising in Hupeh or Hunan to take place this autumn whilst the Imperial armies are engaged in their manœuvres in Honan. Where are the arms and ammunition with which successfully to oppose the well-armed and disciplined troops of the Hukwang Viceroyalty has not transpired. But we learn from a reliable source that the news is taken in seriousness and that probably Viceroy Yuan Shih-kai himself may also abstain from going to Honan. In this case the Throne will have to appoint two other high officials to inspect the troops at the grand manœuvres, and Tieh Liang, Manchu President of the Board of Revenue, and Hsu Shih-ch'ang, President of the Board of Public Safety, both of whom are members of the Council of Army Reorganisation will probably be named as High Commissioners to inspect the Imperial forces on his Majesty the Emperor's behalf. A word as to the arch-conspirator Sun Yat-sen. He will be remembered as the man who was arrested and imprisoned in the Chinese Legation in London, during Lord Salisbury's time, by the then Chinese Minister Kung Chao-yan, who was subsequently compelled to give the man up to the British authorities upon the demand and strong protests of the Premier. The man

showed his gratitude to the British Government by making British territory (Hongkong) his headquarters from whence anti-dynastic expeditions were sent to Canton to wreck the Chinese Government there. It is now stated that Sun Yat-sen has allied his party to the Triad Society in Kuangtung province which has enabled him to come into touch with the Kolao Hui and other revolutionary societies in the Yangtze Valley. These Societies, however, are merely anti-dynastic and they recognise the divine rights of kings.

NORTH CHINA TRADE.

AMERICAN COTTON GOODS AFFECTED.

An American Consul reports: With the opening of the port of Newchwang for the season of 1906, after being icebound for three months, business was found to be sluggish, and it soon developed that shipments made to the interior did not reach the consumer promptly. The passage of goods between the outposts of the Japanese and Russian zones of military occupation was unsatisfactory and was accomplished only at a great risk from robbers and great expense in cart hire. Therefore the temporary relief to a congested commercial condition at Newchwang was followed by an abnormal state of affairs in the interior.

The Newchwang merchants complained that 3,500,000 taels (aggregating approximately \$2,450,000 gold) were practically withdrawn from the local market by being tied up in goods advanced to the interior districts. Money grew tight, and Shanghai returned drafts for large amounts. The money tied up in the interior was, roughly estimated, the aggregate due elsewhere to meet unsettled accounts. Beans and bean products did not arrive in the usual way from the interior, and practically all that did reach the port were handled by Japanese interests. Therefore the export trade, generally speaking, was even more unsatisfactory early in the season than the import business.

The Shanghai American cotton goods interests, which have built up an extensive trade in Manchuria, almost wholly through the port of Newchwang, aggregating in 1905 upward of \$9,000,000 gold, sent agents to the centres of trade depression with a view to ascertaining and removing, if possible, the causes that tended to hamper sales. They found a large quantity of native, but very little American, cotton goods, that had been forwarded via Shanghai, were being shipped inland, together with considerable Japanese cotton yarn, some of which had arrived via Dalny (Tsiren) before the port of Newchwang opened. Flour, handled via Vladivostok and Dalny, has also been shipped to Manchuria this season in large quantities. There are, however, no available records of the exact or approximate amount. A stimulated demand for Italian cotton and woollen cloth, dyed in imitation of Chinese satin, was noted, as well as a tendency, on the part of recently established, Newchwang commission houses, to order American cotton goods direct and not via Shanghai.

TRADE DEPRESSION IN SOUTH CHINA.

The trade depression through which the colony is at present passing, and which seems to affect the whole of South China, has been further accentuated by the steady rise in sterling and rupee exchange that has taken place during the fortnight. We published some days ago an account of the conference held by the Chinese dealers in Indian cotton yarn at which it was resolved to suspend all operations of sales and purchase of the cotton yarn for one month from the 17th August. It now seems the suspension of business did not produce any appreciable effect on the trade nor did it materially help the dealers to reduce the large stocks held by them. Accordingly the Chinese dealers asked for a further extension of two months' time, thereby completely stopping all new purchases of cotton yarn for three months commencing from 17th August. A further conference was therefore held on Monday afternoon at the office of Messrs. S. J. David and Co., and after a prolonged discussion the direct importers of cotton yarn

from India agreed to grant the further extension asked for by the local Chinese dealers. Owing to the abnormal rise in rupee exchange the shrinkage on the value of purchases made some two or three months ago amounts very nearly to \$25.00 per bale, and it is with a view to help the dealers in getting rid of their high priced stocks that the Indian firms have consented to the further extension of time. This trade depression, however, is not confined to cotton yarn only. In all other branches of trade such as piece goods, provision, metal, tobacco, and hardware the effect of the depression is keenly felt, with the result that stocks have accumulated to an abnormal extent, and prices are ruling ruinously low. The main cause of this depression can justly be attributed to the destruction of the first, second, and third crops of silk in the Kwangtung province, and though the fourth crop is good, it has not sufficiently compensated the people for the loss of the first three crops. The rice and fruit crops were also partially destroyed by heavy floods a few months ago, and what little spare money people had was withdrawn from circulation by the Canton Hankow Railway scheme. The people of China can ill afford to sink so much capital in such gigantic schemes, and if nothing else the present trade depression proves the absolute necessity of China getting foreign loans for all such enterprises.

HISTORIC CHINESE OPINIONS.

THE FOREIGN DEVIL IN 1732.

Professor Giles, in his "Chinese Literature," devotes special attention to the writings of the historian Lan Ting-yuan, or Lan Lu-chou. They are interesting as the untrammelled views of the greatest living Chinese scholar of the date at which they were written, namely, in 1732. The following is one of his essays:—

"To allow the barbarians to settle at Canton was a mistake. Ever since Macao was given over, in the reign of Chia Ching (1522-1567) of the Ming dynasty, to the red-haired barbarians, all manner of nations have continued without ceasing to flock thither. They build forts and fortifications and dense settlements of houses. Their descendants will overshadow the land, and all the country beyond Hsiang-shan will become a kingdom of devils. 'Red haired' is a general term for the barbarians of the Western islands. Among them there are the Dutch, French, Spaniards, Portuguese, English, and Yu-su-la (? Islam), all of which nations are horribly fierce. Wherever they go, they spy around with a view to seize on other people's territory. There was Singapore, which was originally a Malay country; the red-haired barbarians went there to trade, and by and by seized it for an emporium of their own. So with the Philippines, which were colonised by the Malays; because the Roman Catholic religion was practised there, the Western foreigners appropriated them in like manner for their own. The Catholic religion is now spreading over China. In Hupeh, Hunan, Honan, Kiangsi, Fuhkien and Kuangsi, there are few places whither it has not reached. In the first year of the Emperor Yung Cheng, the Viceroy of Fuhkien, Ma Pao complained that the Western foreigners were preaching their religion and tampering with the people, to the great detriment of the localities in question; and he petitioned that the Roman Catholic chapels in the various provinces might be turned into lecture-rooms and schools, and that all Western foreigners might be sent to Macao to wait until an opportunity should present itself of sending them back to their own countries. However the Viceroy of Kwang-tung, out of mistaken kindness, memorialised the Throne that such of the barbarians as were old and unwilling to go away might be permitted to remain in the Roman Catholic establishment at Canton, on the condition that if they proselytised, spread their creed, or chanted their sacred books, they were at once to be punished and sent away. The scheme was an excellent one, but what were the results of it? At present more than 10,000 men have joined the Catholic chapel at Canton, and there is also a department for women, where they have similarly got together

about 2,000. This is a great insult to China, and seriously injures our national traditions, enough to make a man of feeling grind his teeth with rage. The case by no means admits of teaching before punishing.

"Now these traders come this immense distance with the object of making money. What then is their idea in paying away vast sums in order to attract people to their faith? Thousands and thousands they get to join them, not being satisfied until they have bought up the whole province. Is it possible to shut one's eyes and stop one's ears pretending to know nothing about it and making no enquiries whatever? There is an old saying among the people:—'Take things in time. A little stream, if not stopped, may become a great river.' How much more precaution is needed then, when there is a general inundation, and men's hearts are restless and disturbed? In Canton the converts to Catholicism are very numerous; those in Macao are in an inextinguishable forest. There is a constant interchange of arms between the two, and if trouble like that of the Philippines and Singapore should arise, I cannot say how we should meet it. At the present moment, with the pattern of Imperial virtue on the Throne, whose power and majesty have penetrated into the most distant regions, this foolish design of the barbarians should on no account be tolerated. Wise men will do well to be prepared against the day when it may be necessary for us to retire before them, clearing the country as we go."

THE SHANGHAI SHOOTING AFFAIR.

ACCUSED COMMITTED.

The N.-C. Daily News on 4th and 5th instant contains accounts of the police proceedings following the shooting affair which we have already reported.

Peter Sidney Hyndman was charged with feloniously, unlawfully, and with malice aforethought, shooting and wounding one Mrs. G. H. Rose with a revolver, thereby causing her grievous bodily harm, on the 1st inst., with intent to kill; further, with feloniously, unlawfully and with malice aforethought killing and murdering one Harry Smith, by shooting him with a revolver on the 1st inst., at 15, Haining Road.

Detective Inspector McDowell, who arrested the accused in the house where his victims lay, said he made the following statement:—

"I am so sorry for my poor girl. I never intended shooting her, as I love her very dearly. But it was more than I could stand when I found them in the room together. I will tell you the whole thing from start to finish. Last night I worked at the Metropole until 10 o'clock. As it was Saturday evening I wished to take my girl out for a drive. I left the Metropole about 4 o'clock, rode on my bicycle down to the house in Dent Road, but I found she was not there. I asked her little sister Katie where she was, and she said she had gone to Nee Zung's (a tailor's shop); but I suspected she was with Smith, and I went direct to Haining Road to Smith's house. I rang the bell at the front door, but got no answer. Then I went round to the back and the small boy told me: 'Master no got! Come back six o'clock.' Then I returned to Dent Road again, but she had not come back. I went off again on my bicycle, called at Nee Zung's and one or two other places, and from there to the Hotel des Colonies, as I thought she might be having tea there with Smith. She was not at either of these places. I then telephoned from the Hotel des Colonies to the clerk at the Metropole to say that I would not return that evening. The clerk said it was very important that I should come, and I promised to do so. I then rode down to Haining Road, and near the front door of No. 15, I met Mr. Ferris and asked him whether Harry Smith lived at No. 15. He said 'yes.' Having first tried the front door and getting no answer I went round to the back door. The boy opened the door and I gave him my card and said 'take this topside.' The boy said: 'Have got one friend; no can go topside.' The boy went upstairs with the card and I followed closely at his heels. I heard talking upstairs, and knew they were there. At the top of the stairs the boy tried to prevent

me from going any further, but I pushed him aside and threw the door open. I found my girl there. I was dumbfounded and did not know what to do. Just then Smith rushed at my neck, and pushed me and knocked me down against the bed, but I was not knocked 'down and out'. I got up immediately, and he came for me again. I gave one swing of my arm and sent him a cropper. You know I can shift 185 pounds with that arm. As Smith got up he put his hand round to his hip, and then I said to myself: 'Now it's him or I for it; he's going to shoot' and at the same time I drew my revolver and shot him. He staggered towards the door and was coming towards me again, so I fired a second time and he dropped. I must have fired three or four shots, but I can't imagine how my poor girl got hit. She came towards me and I told her not to be alarmed; that I had to protect myself. She ran downstairs. I followed her down. She said: 'Peter, I am hurt, I feel weak.' I carried her upstairs and put her on the table and decided to go at once to the doctor. Before going I put her on the ground, as I was afraid she would fall off. Then I went down and shouted to Ferris: 'Send for a doctor.' I jumped on a bicycle and went as hard as I could down to Dent Road to warn her brother. I shouted 'John! John! I've shot Winnie and Smith. Go for a doctor.' We went on our bicycles and searched several places for doctors. Finally we went to the general Hospital. We met Dr. Krieg and informed him a woman had been shot in Haining Road and asked him to go down there. I followed his motor on my bicycle."

On the way to prison, the accused added:—"I was quite prepared for him, as my girl had warned me that Smith had said he would put an ounce of lead into me."

On searching accused at the Station another cartridge was found in his pocket, together with a five-dollar note, a letter addressed "to whom it may concern," and a letter addressed to Henry Hyndman Esq., at an address in Macao.

Tsao Foo-sung, cautioned, said he was a boy employed at 15, Haining Road. His master was called Harry Smith. His master returned home on Saturday at 2 o'clock. He told witness he expected a foreign lady visitor and when she arrived to send a small boy to his office. His master then went away to his office. The foreign lady arrived at half-past two. Witness sent the small boy, and his master returned at once. At half-past three witness was sent to get some ice tickets and was instructed to tell all visitors that his master was out. The foreigner came upstairs, and witness knocked at the bedroom door. The master came out. When the foreigner saw him he rushed up quickly and pushed him down, and witness heard the report of a revolver. Witness was standing at the top of the stairs and was very much afraid when he heard the report of the revolver. He did not see it, he merely heard it. He ran down stairs and into the next house where he told some others there of what had happened.

John Vincent Murphy, sworn, said he was employed as a tidewater in the L. M. Customs. He lived in 16 Dent Road. He had known accused for about five years. About 6 p.m., Saturday, 1st inst., he heard somebody running in his house and shouting out, "John, John. Come quick, send for the doctor." He immediately ran downstairs, meeting the accused half-way down with one hand on the banister. Witness asked what was the matter. He said "I've shot Winnie and Smith. I caught them in a room together and now, what shall I do?" Witness said: "Let us go for the doctor." He asked accused where Smith lived, and accused told him to follow him. They went down Dent Road and down Broadway, and all along the way he kept asking witness what he should do and whether he ought to blow out his brains. Nearing the house accused pointed out the house and asked if he should give himself up. Witness told him to come along and face it. Accused went and witness followed, rushing upstairs. He saw his sister and Smith lying down shot. The next he saw of accused was when he was under arrest in the house. About three weeks before this happened his sister and accused had a row

upstairs in his house. She asked accused to leave the house. She would go her way, she said, and he'd go his. Then witness came in and accused said, All right, he would go, but let her promise him never to go with Smith. Let her mark his words. If ever he caught her with Smith, he would shoot the pair of them. She replied, All right. Witness said nothing. Accused had been living for three months at 16 Dent Road with witness and his sister.

Subsequently the wounded woman's evidence was taken at the Hospital, and the prisoner was committed for trial.

MACAO.

(FROM OUR CORRESPONDENT)

September, 13th.

THE GUNBOAT "PATRIA"

It is known that this new gunboat of the Portuguese Navy will soon be on her way to Macao to relieve the old and obsolete *Rio Lima*. The *Patria* was built in the Portuguese Government Arsenal about four years ago, and is decidedly a much more modern and powerful vessel than the one she is coming to relieve. She was built by a public subscription raised by the Portuguese residents of Brazil and presented to the Government, and as soon as she was ready for sea, she visited the Brazilian ports to pay respect to the subscribers. She is 60 meters in length, of 631 tons and 1,600 horse power, with a speed of 15 knots. Her armaments consist of two guns Schneider-Canet of 10 centimeters, two Hotchkiss of 85 millimeters, and two of the same type of 47 millimeters. She has two funnels and only one mast.

We suppose that this vessel will perforce have to anchor some miles away from Macao when she arrives.

SHOOTING SEASON.

The shooting season has now begun. A large number of sportsmen went out last Saturday and Sunday for their first shoot, and had very good sport, snipe being plentiful at Taipu and Santong. Birds are numerous this season. Apropos, why should our sportsmen have to pay for licence to shoot, while sportsmen from other places, for instance Hongkong, are exempted? If the licence issued in Hongkong is good also at Macao, why should not Macao licences be granted the same privilege?

STRAY PONIES.

Two ponies, supposed to belong to the Electric Co., were caught straying in the city by the Public Works Department. If they are not claimed within a prescribed time, they will be disposed of by public auction. It seems a good opportunity for our Mounted Police.

STREET LIGHTING.

Our streets are again lighted by Kerosene lamps, the Electric Company having again asked the Leal Senado for more time. I should have thought about a year was enough.

"SACK" THE CROWN AGENTS.

The *Straits Times* referring to the Singapore Government's depreciated investments, says:

"It is but fair to the Crown Agents to state that which is urged by a strong supporter of theirs, in the person of the Colonial Treasurer, who maintains that the depreciation in the market value of the securities, which they bought for the Colony, is covered by £1,000 out of the \$357,000 deficiency. Though they are responsible, if this be true, for a loss of only £1,000, it does not mend matters very much. They have stultified themselves all the same as investment selectors for Crown Colonies. They should have unloaded, to say the least of it, more fortunate or reliable securities to the Colony. Then the Crown Agents, again, have lost \$64,000 on the sale of silver, and Mr. Shelford, with justice, bitterly complains of their folly. We would ask the culprits what would certainly happen to them were they managers of a Bank, on their making such grossly injurious losses as those referred to. But we can answer the question for them. They would lose their billets, for a certainty, and it seems time a similar recognition of their services was extended to them by the Colonies."

COMMERCIAL.

KOBE MARKET REPORT.

The Kobe Market Report, published under the direction of the Hiogo and Osaka General Chamber of Commerce, and dated 31st August, 1906, has the following:—

IMPORTS.

Cotton.—American.—Owing to favourable crop prospects the market has shown an abrupt downfall for forward delivery, and during the fortnight over 100,000 bales have been contracted for. Legitimate sales are handicapped in consequence of speculations which still continue to prevail at much below home rates. "Spot" business is at a standstill owing to the absence of stocks. Middling is quoted at Yen 32. Indian.—Large transactions are reported on a speculative basis in "forward" at prices much below home quotations. Spot sales are very dull. Closing rates are:—Best Broach, Yen 27.50; Akola Rhamgum, Yen 22.50; Bengal Yen 20. Chinese.—The high prices ruling are prohibiting all chance of forward business, and sales of spot cargo are trifling in consequence of small stocks. Quotations are:—Best quality Yen 27.50; Common quality Yen 24.50. Shirtings.—Greys.—The Autumn season is very late this year. Deliveries are bad and prices weak and rather nominal. White.—The market is weak, the season having passed. Cotton Goods and Fancies.—The Autumn season is late. Prints and Velvets.—Business is not brisk, but importations can be sold without loss. Cotton Italians.—Ordinary finished goods are gradually finding a market at fair rates, but the silk finished article is in no demand, and limits are very poor. This latter remark also applies to Cotton Flannels and Lawns, which are in large supply. Worsteds and Woollens.—Opening deliveries are being made on a satisfactory scale and dealers sell easily and at good prices to the interior. Window Glass.—Further arrivals have weakened the market. Metals.—The firm and rising tendency of the home markets has not been responded to on this side. Transactions therefore are very limited. Sugar.—Beet.—After a short period of great activity principally in connection with the "Bon" festival a quieter tone appears to reign again, and prices for German Beet which had gone up from Yen 15.30 to Yen 15.40 have now to be quoted 10 to 15 cents per picul lower. Cane.—Hongkong Refined.—The market is firm and prices show an upward tendency. There is however no new business to report. Osaka Refined.—At this auction, held in Osaka on the 25th August, 7,000 bags changed hands at prices which showed advances of from 30 to 38 sen. Rice.—Market quiet, little business doing.

EXPORTS.

Tea.—Settlements to date amount to piculs 56,000 against piculs 74,000 to the same date last year. Fish Oil.—Several thousand cases were bought at Yen 6.25 and the quotation has advanced to Yen 6.50 per 100 kin with only a limited quantity available for export. Copper.—Several hundred tons changed hands and quotations experienced a further advance in sympathy with London reports. Rice.—Prices advanced owing to decreasing stocks. Crop prospects continue to be very favourable, and if the flowering season Nihiyaku-toka until Nihiyaku-hatsuka, 210-220th day of Chinese Calendar, pass off satisfactory a bountiful harvest may be looked for. Cotton Yarn.—Small export has been done by speculators. Vegetable Wax.—Market although dull has continued to advance, and closes firm with upward tendency. In the fortnight under review only some 500 cases are reported to have changed hands between Yen 30 and Yen 31, but for further transactions as refiners are holding out for higher prices. Matting.—A decidedly firmer tone has been apparent with only meagre supplies coming from the interior. Straw Braid.—A very strong demand set in for many descriptions during the past fortnight and considerable settlements have been reported at slightly higher prices, the market closing very firm with upward tendency. Chip Braid.—A fair demand continues for a few descriptions, but the enquiry has not been anything like as brisk as could be expected at this period of the season.

TEA.

Messrs. Welch, Lewis & Co.'s Report dated Shanghai, 1st September, 1906, has the following:—**Black Teas.**—Business reported is about the same in quantity as for the previous interval. Buyers are few and the prices remain unchanged. **Green Teas.**—Pingsueys.—Considering the size of the stock on offer the volume of business done has been insignificant. Native holders of pure teas are very firm, and in some cases ask for an advance on previous rates. A possible decline of Tls. 1-2 on somewhat inferior teas is not sufficient to

tempt buyers, who are waiting for further news of early shipments. Many of the chops of Pingsuey are "Fine" teas compared with the coarse liquoring Fychows and Local packs now on offer. Country Teas.—The confidence of buyers in future prospects continues unabated, although the valuations received from America on overland musters, are anything but encouraging. Buying has perhaps not been so eager as it was at the date of our last Report, but the market is still active; prices are irregular but on the whole show a strong market. **Wenchows Local Packs.**—The business done has been small, no doubt owing to the poor quality on offer. **Foong Mees.**—Only a small business has been put through; prices are unchanged. **Sou Mees.**—Although the business done has only been small in volume yet the few settlements show a distinctly stronger market. Fine quality is only in very small stock and held for higher prices. **Hysons.**—The demand mentioned in our last has continued, but latterly it has been chiefly on speculative account between Chinese and not for export.

SILK.

Messrs. F. C. Heffer's Circular, dated Shanghai, 5th September, 1906, has the following:—Telegrams report firm markets at home, and quote Gold Kiling in London at 13/3, and in Lyons at Fcs. 36.50. **Raw Silk.**—During the period under review a fair business has been done in all descriptions of white silk. Some 1,000 bales Taslees have been settled, the market advancing Tls. 5 towards the close. In consequence of a further rise in exchange during the last few days the demand has slackened off. **Hand Filatures.**—Have also been in demand for the continent on the basis of Tls. 620 for small Buffalo 1 ord. reel. For America, 100 B. M. H. Y. Blue Dragon and Feima have been booked at Tls. 725 for B. Dragon Extra. **Steam Filatures.**—Nothing doing with America, but a moderate business in fine sizes continues with Europe. **Yellow Silks.**—Market is very quiet, Mienyangs are scarce and relatively firmly held; other descriptions are weak.

OPIUM.

HONGKONG, 6th September, 1906.—Since the 23rd ultimo, the movements in our various Opium markets have been as follows:—

Malwa. Patna. Benares. Persian.					
Stocks as per circular of 23rd ultimo, 1906	1,333	1,633	875	1,556	
Aug. 27th Imports per Nam Sang	—	1,173	431	—	
Sept. 3rd " " Sulaste	—	—	25	—	
" 5th " " Derakha	415	—	30	—	
Less Exports to Shanghai	1,748	2,806	1,361	1,077	
Less Exports to East and West Coast Ports including Local Consumption for the fortnight	243	550	285	78	

Estimated Stocks this day .. 1,373 1,932 906 1,604
Bengal.—The market has been very dull indeed, owing to the continual rise in exchange. No quotations can be given as they are purely nominal. **Malwa.**—A very small business has been transacted in best old drug and prices have further declined about \$30 for new and \$20 for old opium.

Quotations are:—

New	\$ 900
2 years old	960
3 " "	1,020
4/5 " "	1,060
Oldest	

Persian.—Business is small and prices are steady.

PIECE GOODS.

Messrs. Noel, Murray & Co.'s Report on the Shanghai Piece Goods Trade, dated Shanghai, 6th September, 1906, states:—During the interval two or three important events have occurred that have a very special bearing on this trade, and should not be passed over without some comment. The first was the opening of Tairen (late Dalny) as a free port to the trade of the world. The original announcement that this was to be done was worded in such an ambiguous manner it appeared that the intention was to open it only as regards commercial intercourse direct with Japan, but this misunderstanding has been explained away. However, any benefits that could possibly accrue to the outside world have been entirely negatived by the further declaration of Japan that no Chinese Customs House will be permitted there until similar stations are established in the Northern parts of Manchuria on the frontiers of the Russian territory. There is certainly a good deal of reason and common sense in this. For some cause, Goodness knows why, Russian overland importers into Manchuria never have been subject to the Duties of China, possibly for the reason that her imports were mostly commodities which, prior to the Mackay Treaty, were not dutiable. All that is changed now and she is evading the self-imposed imposts of other Treaty Powers. It is of course incumbent on China to

do away with the anomaly, and her hesitancy to do so is evidently due to her knowledge that she is powerless to enforce it. For that reason it is absolutely necessary, as we wrote on the 14th June last, for the interested Governments to put pressure on, and if necessary give moral support to, China to get back the control of her provinces, and place the Japanese trade on a parity with that of other countries who have the most favoured nation clause in their treaties. Great Britain, the United States and Germany should work together strenuously to attain this end with as little delay as possible. It has also been announced by Japan that her administration of Yinkow will be withdrawn on the 1st October, and Newchwang will regain its status quo ante. The next important event was the publication of a long Imperial Decree on the subject of a constitution for China. It is so full of practical common sense and bears such unmistakable evidence of earnest endeavour to consummate the end in view, that it had created a very favourable impression amongst both the native progressive classes and foreigners alike. The idea to commence reforms at the top is the right one, but it is doubtful if the mandarin in China will so loyally consent to deface themselves as did the Feudal Lords in Japan without a considerable struggle. Another important event was the short visit of Sir John Jordan, the new British Minister to Peking. The gentleman who has held the post of Charge d'Affaires since Sir Ernest Satow left has unquestionably looked after his Country's interests with conspicuous ability, but cannot possibly carry the same weight with the native authorities as a fully accredited ambassador. Sir John has created a very favourable impression here, and the sudden haste with which he cut short his visit shows that he is fully alive to the necessity of being up and doing. Locally our market has been in a state of stagnation, and we have not heard of anything having been done from first hands with the exception of a few orders for Fancies, the latter being of a decidedly retail nature. The absence of demand was very clearly shown at the auction this morning, bidding being very lifeless, and were it not for the fact that several natives hold stock of auction goods it is doubtful if prices would have been as high as they were. As it was prices for Grey and White Shirtings show a decline of one or two mace per piece, but curiously enough those for Black Italians were fairly steady. Clearances, much to the regret of every one, continue poor. The tendency of the Liverpool cotton market has been downward, the latest quotations for Mid. Orleans being 5.36d., but price for Egyptian appears firmer, being now quoted 10d. Advices from Manchester and New York show both markets to be steady. The export of Plain Cottons from England to China for the months of August are wired privately as twenty-two million yards, being seven million yards less than last month, and 2,500 bales of yarn. Advices from the various outports are not of an encouraging nature, with perhaps the exception of Newchwang, which is reported, through native sources, to be a little better. Some 1,200 to 1,300 packages were shipped last week to Korea, and the natives are awaiting advices of their reception before shipping any more.

MISCELLANEOUS EXPORTS.

HANKOW, 5th Sept., 1906.—The prices quoted are for the net shipping weight excluding cost of packing for export:—

	Per picul.
Cowhides, Best Selected.....	Tls. 36.00
Do. Seconds	32.00
Buffalo Hides, Best Selected	18.50
Goatskins, untanned, chiefly white colour, (nom.)	
Buffalo Horns, average 3-lbs. each	8.50
White China Grass, Wuchang and/or Poochi.....	10.50
White China Grass, Sinshan and/or Chayu	10.00
Green China Grass, Szechuen	13.00
Jute	5.80
White Vegetable Tallow, Kinchow	11.50
White Vegetable Tallow, Pingchow and/or Macheng	11.00
White Vegetable Tallow, Mongyu	9.50
Green Vegetable Tallow, Kiyu	9.70
Animal Tallow	10.00
Gallnuts, usual shape	16.00
Do. Plum do.	18.00
Tobacco, Tingchow	9.00
Do. Wongkong	11.00
Black Bristles	115.00
Feathers, Grey and/or White Duck	(nom.)
" " " Wild Duck	(")
Turmeric	3.50
Sesamum Seed	4.40
Sesamum Seed Oil	7.50
Vegetable Tallow Seed Oil.....	(nom.)
Wood Oil	8.70
Tea Oil	(nom.)

Per steamer Java, sailed on 14th September. For Antwerp:—1 box kites. For Liverpool:—1,599 bales hemp. For Glasgow:—13 cases china-ware. For London:—1,994 bales hemp, 4 packages private effects, 204 cases cassia, 851 packages preserves, 1,476 packages tea, 42 cases china-ware, 3 cases silk piece goods, 1 case curios, 170 packages merchandise. For Marseilles:—350 cases cassia.

FREIGHT.

From Hankow per Conference Steamers.—To London and Northern Continental ports 46/- per ton of 40 c. ft. plus river freight. To Genoa, Marseilles or Havre 41/6 per ton of 40 c. ft. plus river freight. To New York (via Suez) General Cargo 32/- per ton of 40 c. ft. plus river freight. To New York (via Suez): Tea 39/6 per ton of 40 c. ft. plus river freight. To New York (overland): Tea G. \$1 1/4 cents per lb. gross, plus river freight. To Shanghai: Tea and General Cargo, Tls. 1.60 to 1.80 per ton, weight or measurement.

SHARE REPORTS.

HONGKONG, 14th September, 1906.—The market has ruled very dull during the week, and rates generally have tended to weakness. The little business which has been transacted has been of a spasmodic and unimportant nature. The continued rise in sterling exchange is still the chief deterrent influence on the market. Exchange on London, T.T. 2s. 2 1/2 d, on Shanghai 73.

BANKS.—Hongkong and Shanghai have been on offer during the week, and in the absence of buyers the rate has fallen to \$800 without sales. Nationals remain unchanged.

MARINE INSURANCES.—The market under this heading has been an exceptionally dull one, and with the exception of small sales of Cantons at \$320 and \$319, we have no business to report. Unions, China Traders, and Yangtszes are all procurable at quotations.

FIRE INSURANCES.—Hongkongs have been asked at \$327 1/2, and the market closes quiet at that rate. Chinas have been procurable at \$93, but we have heard of no sales.

SHIPPING.—Hongkong, Canton and Macao have changed hands at \$28, and close steady at that rate. Indos have found buyers, both locally and in Shanghai, at \$74, and close in a small demand at that. China and Manilas, after small sales in the early part of the week at \$24, were done in fair lots at \$23 1/2, the market closing quiet. Douglases continue on offer at \$47 without any business to report. Shell Transports could be placed at 27s. 6d., but we have heard of no sales. Star Ferries unchanged.

REFINERIES.—China Sugars have ruled erratic and sales are reported at \$160, \$159, \$158 and \$157 for cash, the market closing with buyers at \$158. On time shares have been placed at \$160 for November, \$162 for December, and \$163 for January. Luzons remain without business.

MINING.—Raubs have changed hands at \$8 1/2 and \$8 1/4, closing steady at \$8 1/2. We have nothing else to report under this heading.

DOCKS, WHARVES AND GODOWNS.—Hongkong and Whampoa Docks have shown a further weakness, and the rate has fallen without sales to \$183. Kowloon Wharves have been placed at \$103, and close with buyers at \$102 1/2. Shanghai Docks remain steady at Tls. 108, closing with buyers at that. Hongkew Wharves have receded in Shanghai to Tls. 240.

LANDS, HOTELS, AND BUILDINGS.—With the exception of small sales of Hotels at \$115, and Humphreys estates at \$11 1/2, we have nothing to report under this heading.

COTTON MILLS.—All Shanghai mills remain unchanged. Hongkongs have declined to \$13 1/2, ex dividend of \$1 1/2.

MISCELLANEOUS.—China Borneos have declined to \$10 1/2, without sales. China Providents have been placed at \$9.60, Green Islands at \$22, Dairies at \$17, and Watsons at \$13. We have nothing else to report under this heading.

Closing quotations are as follows:—

COMPANY.	PAID UP.	QUOTATIONS.
Alhambra	\$200	\$120, buyers
Banks—		
Hongkong & S'hai..	\$125	\$800, sellers
National B. of China		London, £93.10.
A. Shares	£48	\$47
Bell's Asbestos E. A.	12s. 6d.	\$7
China-Borneo Co.....	\$12	\$10 1/2, sellers
China Light & P. Co.	\$10	\$10 1/2, sellers
China Provident	\$10	\$9.60, sellers
Cotton Mills—		
Ewo.....	Tls. 50	Tls. 77
Hongkong	\$10	\$13.25, x.d., sel.
International	Tls. 75	Tls. 88
Laou Kung Mow	Tls. 100	Tls. 85
Soychee	Tls. 500	Tls. 325
Dairy Farm	\$6	\$17, sales & buy.
Docks & Wharves—		
H. & K. Wharf & G.	\$50	\$102 1/2, sales & buy.
H. & W. Dock	\$50	\$133, sellers
New Amoy Dock.....	\$6 1/2	\$18, sellers
Shanghai Dock and	Tls. 100	Tls. 108, buyers
Eng Co., Ltd		
S'hai & H. Wharf.....	Tls. 100	Tls. 240
Fenwick & Co., Geo....	\$25	\$22, sellers
G. Island Cement.	\$10	\$22, sales & sel.
Hongkong & C. Gas....	£10	\$175, buyers
Hongkong Electric....	\$10	\$14 1/2, buyers
H. H. L. Tramways....	\$100	\$215, buyers
Hongkong Hotel Co....	\$50	\$115
Hongkong Ice Co.....	\$25	\$236, sellers
Hongkong Rope Co....	\$10	\$29, sellers
H'kong S. Waterboat	\$10	\$7 1/2
Insurances—		
Canton	\$50	\$320, sales
China Fire.....	\$20	\$93
China Traders	\$25	\$98 1/2, sellers
Hongkong Fire.....	\$50	\$327 1/2, sales & sel.
North China.....	£5	Tls. 87 1/2
Union	\$100	\$785
Yangtze	\$60	\$172 1/2, sellers
Land and Buildings—		
H'kong Land Invest.	\$100	\$110, sellers
Humphreys' Estate	\$10	\$11 1/2, buyers
Kowloon Land & B.	\$30	\$39
Shanghai Land.....	Tls. 50	Tls. 108
West Point Building	\$50	\$50, sellers
Mining—		
Charbounages	Fcs. 250	\$450, nominal
Raubs	18/10	\$8 1/2, sellers
Philippine Co.	\$10	\$5
Refineries—		
China Sugar.....	\$100	\$158, buyers
Luzon Sugar.....	\$100	\$22, sellers
Steamship Companies		
China and Manila....	\$25	\$24, sellers
Douglas Steamship	\$50	\$47, sellers
H., Canton & M.	\$15	\$28, sales & buy.
Indo-China S.N. Co.	£10	\$74, sales & buy.
Shell Transport Co.	£1	27s. 6d., buyers
Star Ferry	\$10	\$29, sellers
Do. New	\$5	\$20, sellers
Shanghai & H. Dyeing	\$50	nominal
South China M. Post.	\$25	\$22, buyers
Steam Laundry Co.	\$5	\$6
Stores & Dispensaries.		
Campbell, M. & Co.	\$10	\$32
Powell & Co., Wm.	\$10	\$10 1/2, sellers
Watkins.....	\$10	\$4, sellers
Watson & Co., A. S.	\$10	\$13, sales
United Asbestos.....	\$4	\$8, buyers
Do. Founders	\$10	\$150

VERNON & SMYTH Brokers.

Messrs. J. P. Bisset & Co.'s Share Report for the week ending September 6th, 1906, states:—A rise in value has to be reported in the prices of all the principal stocks, Docks, Langkats and Wharves closing strong at quotations. Banks—Hongkong and Shanghai Banks are quoted in

Hongkong at \$835 ex dividend, while the London quotation is £94. 10s. The T. T. Rate on London to-day is 2/11 1/2. Marine and Fire Insurance.—No business. Shipping.—A single transaction in Indos has to be recorded at Tls. 56 1/2 for December. Shanghai Tug and Lighter Co. Preference shares have changed hands at Tls. 50 1/2, and Ordinary shares at Tls. 55 for cash. Docks and Wharves.—Shanghai Dock and Engineering Co., Ltd. rose to and remained steady during the week, at Tls. 105 for cash, and for the end of the month at Tls. 106. Shanghai and Hongkew Wharves. The market opened at Tls. 248 cash cum div., but is later quoted at Tls. 242 1/2 ex div. The September settlement rates are Tls. 245 and Tls. 244; and Tls. 250 for December. Sugars.—No business reported. Mining.—The only business reported is a transaction in Chinese Engineering & Mining Co. Shares at Tls. 10.10 for cash. Industrial.—Loau Kung Mows are quoted at Tls. 85 September. International Cottons have been done at Tls. 70. Ewos at Tls. 80 for December. Shanghai Gas Co. Shares have changed hands at Tls. 125; Maatschappij, &c., in Langkat steady at Tls. 242 1/2 cash, Tls. 244 and 245 September, and Tls. 245 October. A single transaction in Sumatras at Tls. 85 for November is reported. Stores and Hotels.—The only business done is in Weeks & Co. Shares at \$20. Miscellaneous.—Telephones are quoted at Tls. 63, and Shanghai Electrics at Tls. 26 1/2. Loans and Debentures.—The only movement is in Astor House Hotel Co. Debentures (8 per cent.) at Tls. 103 1/2.

EXCHANGE.

MONDAY, Sept. 17th.

ON LONDON.—	
Telegraphic Transfer	2/2 1/2
Bank Bills, on demand	2/2 1/2
Bank Bills, at 30 days' sight	2/2 1/2
ON LONDON.—	
Bank Bills at 4 months' sight	2/2 1/2
Credits, at 4 months' sight	2/2 1/2
Documentary Bills, 4 months' sight	2/3
ON PARIS.—Bank Bills, on demand	276 1/2
Credits 4 months' sight	280 1/2
ON GERMANY.—On demand	224 1/2
ON NEW YORK.—Bank Bills, on demand	53 1/2
Credits, 60 days' sight	54 1/2
ON BOMBAY.—Telegraphic Transfer	163 1/2
Bank, on demand	164
ON CALCUTTA.—Telegraphic Transfer	163 1/2
Bank, on demand	164
ON SHANGHAI.—Bank, at sight	73
Private, 30 days' sight	73 1/2
ON YOKOHAMA.—On demand	107 1/2
ON MANILA.—On demand	107
ON SINGAPORE.—On demand	6 1/2 p.c.p.m.
ON BATAVIA.—On demand	132 1/2
ON HAIPHONG.—On demand	1 1/2 p.c.p.m.
ON SAIGON.—On demand	1 1/2 p.c.p.m.
ON BANGKOK.—On demand	61
SOVEREIGNS, Bank's Buying Rate	\$ 9.05
GOLD LEAF, 100 fine, per tael	\$47.80
BAR SILVER, per oz.	31 1/2

TONNAGE.

HONGKONG, 7th September.—There is a limited demand for tonnage. From Saigon to Hongkong, 8 cents nominal; to Philippines, 21/22 cents per picul; to North Coast Java, 20 cents per picul last. North Coast Java to Hongkong, 20 cents for dry and 27 cents for wet. Iloilo to this, no demand. From Newchwang to Canton, 18 cents per picul last. South Japan Coal, port to Hongkong, \$1.20. From Hongay to Hongkong, \$1.10; to Swatow \$1.25 per ton. Time Charter.—The steamer Quarta 38,000 piculs capacity has been chartered by the Osaka Shosen Kaisha for three months. The following are the settlements:—

Wingsang—British steamer, 1,517 tons, Moji to Swatow, \$1.40 per ton.

Yatshing—British steamer, 1,424 tons, Hongay to Swatow, \$1.25 per ton.

Kiangping—Chinese steamer, 1,222 tons, Hongay to Hongkong, \$1.10 per ton.

Amara—British steamer, 1,566 tons, Saigon to one port Philippines (45,000 piculs), 21 cents per picul.

Dagny—Norwegian steamer, 882 tons, Saigon to one port Manila, 22 cents per picul.

Amoy—German steamer, 732 tons, Saigon to one port Cebu, 24 cents per picul.

Quarta—German steamer, 1,146 tons, two ports North Coast Java to Hongkong, 27 1/2 cents per picul.

Brand—Norwegian steamer, 1,519 tons, two ports North Coast Java to Hongkong, 28 cents per picul.

Quarta—German steamer, 1,146 tons, monthly, 3 months, at \$4,200 per month.

SHIPPING.

ARRIVALS AND DEPARTURES SINCE LAST MAIL.

September—

ARRIVALS

- 6, Montcalm, Fr. flagship, from Shanghai.
- 7, Anghin, German str., from Bangkok.
- 7, Australian, British str., from Australia.
- 7, Bombay Maru, Jap. str., from Bombay.
- 7, Canton Maru, Japanese str., from Kobe.
- 7, Denbighshire, British str., from London.
- 7, Foxley, British str., from Amoy.
- 7, Haitan, British str., from Coast Ports.
- 7, Sarsogan, American str., from Manila.
- 7, Taiwan, British str., from Saigon.
- 7, Tean, British str., from Manila.
- 7, Tjilatjap, Dutch str., from Amoy.
- 8, Akashi Maru, Japanese str., from Anping.
- 8, Atholl, British str., from Yokohama.
- 8, C. Diederichsen, Ger. str., from Haiphong.
- 8, Ceylon Maru, Jap. str., from Shanghai.
- 8, Chiyuen, Chinese str., from Shanghai.
- 8, Fooshing, British str., from Shanghai.
- 8, Luohow, British str., from Shanghai.
- 8, Peleus, British str., from Shanghai.
- 8, Shinano Maru, Jap. str., from Seattle.
- 8, Telemachus, British str., from Saigon.
- 9, Brand, Norwegian str., from Samarang.
- 9, Diomed, British str., from Shanghai.
- 9, Hue, French str., from Haiphong.
- 9, Marie, German str., from Moji.
- 9, Quinta, German str., from Sourabaya.
- 9, Rajah, German str., from Bangkok.
- 9, Stentor, British str., from Victoria.
- 9, Tholma, Norwegian str., from Sourabaya.
- 10, Borneo, German str., from Sandakan.
- 10, Fooksang, British str., from Calcutta.
- 10, Gneisenau, German str., from Bremen.
- 10, Hailan, French str., from Hoihow.
- 10, Halvard, Norwegian str., from Samarang.
- 10, Keongwai, German str., from Bangkok.
- 10, Nikobar, Danish str., from Copenhagen.
- 11, Castor, Norwegian str., from Swatow.
- 11, Chinkai Maru, Japanese str., from Moji.
- 11, Flora, British cruiser, from Fiji.
- 11, Machew, German str., from Bangkok.
- 11, Persia, Austrian str., from Trieste.
- 11, Sachsen, German str., from Shanghai.
- 11, Shantung, British str., from Probolinggo.
- 11, Woolwich, British str., from Salina Cruz.
- 11, Yuensang, British str., from Manila.
- 11, Zafiro, British str., from Manila.
- 12, Frithjof, Norwegian str., from Tamsui.
- 12, Java, British str., from Yokohama.
- 12, Kwanglee, Chinese str., from Shanghai.
- 12, Progress, German str., from Nauchau.
- 12, Shoshu Maru, Jap. str., from Shanghai.
- 12, Uniform, Norw. str., from Kuchinotsu.
- 13, Apenrade, German str., from Hoihow.
- 13, Haiching, British str., from Coast Ports.
- 13, Kutsang, British str., from Calcutta.
- 13, Nanchang, British str., from Shanghai.
- 13, Nicomedia, German str., from Portland.
- 13, Prometheus, British str., from Amboina.
- 13, Wilmington, U.S. gunboat, from Canton.
- 13, Yangmoo, Korean str., from Kuchinotsu.
- 14, Benlawers, British str., from London.
- 14, Chipshing, British str., from Chefoo.
- 14, Ohoyang, British str., from Shanghai.
- 14, Olam, British str., from Balek Papan.
- 14, Dagmar, German str., from Bangkok.
- 14, Kanju Maru, Japanese str., from Swatow.
- 14, Liangchow, British str., from Chefoo.
- 14, Masan Maru, Japanese str., from Tamsui.
- 14, Monteagle, British str., from Vancouver.
- 14, Moyune, British str., from Liverpool.
- 14, Norden, Norwegian str., from Probolinggo.
- 14, Taming, British str., from Manila.
- 15, Gueydon, French cruiser, from Shanghai.
- 15, Francisque, Fr. destroyer, from Shanghai.
- 15, Fronde, French destroyer, from Shanghai.
- 15, Javeline, Fr. destroyer, from Shanghai.
- 15, Rapier, French destroyer, from Shanghai.
- 15, Sabre, French destroyer, from Shanghai.
- 15, Ghowtai, German str., from Bangkok.
- 15, Hanoi, French str., from Haiphong.
- 15, Helvetia, German str., from Shanghai.
- 15, Hopasang, British str., from Sourabaya.
- 15, Johanne, German str., from Shanghai.
- 15, Montrose, British str., from Shanghai.
- 15, Pleiades, American str., from Tacoma.
- 15, Sibirien, Danish str., from Taku.
- 16, Calchas, British str., from Liverpool.
- 16, Haimun, British str., from Coast Ports.
- 16, Poona, British str., from London.
- 16, Shaohsing, British str., from Shanghai.
- 16, Signal, German str., from Pakhoi.

September—

DEPARTURES.

- 7, Apenrade, German str., for Haiphong.
- 7, Bengloe, British str., for Nagasaki.
- 7, Ghazee, British str., for Shanghai.
- 7, Hongkong, French str., for Haiphong.
- 7, Kwangtah, Chinese str., for Shanghai.
- 7, Loongang, British str., for Manila.
- 7, M. Rickmers, German str., for Hoihow.
- 7, Minnesota, Amr. str., for Seattle.
- 7, Nikko Maru, Japanese str., for Australia.
- 7, Sabine Rickmers, British str., for Hongay.
- 7, Silesia, German str., for Hamburg.
- 7, Stettin, British str., for Singapore.
- 7, Victoria, Swedish str., for Saigon.
- 8, Australian, British str., for Kobe.
- 8, Bombay Maru, Jap. str., for Shanghai.
- 8, Bourbon, French str., for Saigon.
- 8, Braemar, British str., for Shanghai.
- 8, Childar, Norwegian str., for Bangkok.
- 8, Hangsang, British str., for Shanghai.
- 8, Huichow, British str., for Tientsin.
- 8, Malta, British str., for Euro e.
- 8, Rubi, British str., for Manila.
- 8, Shahjehan, British str., for Saigon.
- 8, Signal, German str., for Pakhoi.
- 8, Shoshu Maru, Japanese str., for Swatow.
- 8, Zoroaster, Brit. str., for Christmas Island.
- 9, Clara Jebson, German str., for Saigon.
- 9, Denbighshire, British str., for Shanghai.
- 9, Foxley, British str., for New York.
- 9, Haitan, British str., for Coast Ports.
- 9, Joshi Maru, Japanese str., for Swatow.
- 9, Koun Maru, Japanese str., for Kobe.
- 9, Pronto, Norwegian str., for Chefoo.
- 9, Suevia, German str., for Yokohama.
- 9, Taikosun Maru, Jap. str., for Kuchinotsu.
- 9, Tjipanas, Dutch str., for Shanghai.
- 10, As rea, British cruiser, for Mira Bay.
- 10, Montcalm, French flagship, for Saigon.
- 11, Atholl, British str., for New York.
- 11, Carl Diederichsen, Ger. str., for Hoihow.
- 11, Ceylon Maru, Japanese str., for Bombay.
- 11, Feiching, Chinese str., for Shanghai.
- 11, Glenfarg, British str., for Callao.
- 11, Gneisenau, German str., for Shanghai.
- 11, Iachia, Italian str., for Bombay.
- 11, Knivsberg, Ger. str., for Kwangchowwan.
- 11, Kwei yang, British str., for Tientsin.
- 11, Nanshan, British str., for Swatow.
- 11, Tean, British str., for Manila.
- 11, Yochow, British str., for Shanghai.
- 12, Athenian, British str., for Vancouver.
- 12, Castor, Norwegian str., for Singapore.
- 12, Diomed, British str., for London.
- 12, Nikobar, Danish str., for Vladivostock.
- 12, Sachsen, German str., for Europe.
- 12, Samsen, German str., for Bangkok.
- 12, Simongan, Dutch str., for Batavia.
- 12, Stentor, British str., for Manila.
- 12, Tjilatjap, Dutch str., for Macassar.
- 13, Akashi Maru, Japanese str., for Anping.
- 13, Arratoon Apar, British str., for Calcutta.
- 13, Hailan, French str., for Hoihow.
- 13, Luohow, British str., for Chinkiang.
- 13, Rajaburi, German str., for Bangkok.
- 13, Chiyuen, Chinese str., for Shanghai.
- 14, Dorco, British str., for San Francisco.
- 14, Foc shing, British str., for Shanghai.
- 14, Haiching, British str., for Coast Ports.
- 14, Java, British str., for London.
- 14, Penia, Austrian str., for Yokohama.
- 14, Progress, German str., for Kwangchowwan.
- 14, Shoshu Maru, Japanese str., for Shanghai.
- 14, Yuensang, British str., for Manila.
- 15, Anghin, German str., for Bangkok.
- 15, Benlawers, British str., for Nagasaki.
- 15, Kumang, British str., for Calcutta.
- 15, Nicomedia, German str., for Moji.
- 15, Raon, Norwegian str., for Bangkok.
- 15, Resolut, Norwegian str., for Singapore.
- 15, Uniform, Norwegian str., for Moji.
- 15, Wilmington, U.S. gunboat, for Manila.
- 15, Yangmoo, Korean str., for Kuchinotsu.
- 15, Zafiro, British str., for Manila.
- 16, Canton Maru, Japanese str., for Kobe.
- 16, Clam, British str., for Shanghai.
- 16, Frithjof, Norwegian str., for Tamsui.
- 16, Marie, German str., for Hoihow.
- 16, Moyune, British str., for Shanghai.
- 16, Sibirien, Danish str., for Baltic Ports.

PASSENGERS.

ARRIVED.

Per *Gneisenau*, for Hongkong from Bremen, Mrs. Elise McKinley, Messrs. Kresten Thomsen Dahl, Bernh. Bergdahl and Paul Schluter; from Southampton, Mrs. Francis Campbell and 2 children, Mrs. Mich. Cassidy and 3 children;

from Genoa, Messrs. Robert Koops, Carl Aulmann and Ed. Schroeder; from Penang, Mrs. H. Schmidt; from Singapore, Messrs. G. Otten, W. A. Vroon, Capt. Evans and Mr. Jul. Muller; for Manila from Genoa, Miss L. E. Drum, Messrs. Ferd. Holzer, P. Keller, Crea. Vesser, Winfrida Muller, Alexia Rudensauer and Carl Kuhler.

Per *Malta*, from Shanghai for Hongkong, Messrs. C. K. Clayton, C. B. Fuller, A. Ethridge, R. Tielgens, Rev. T. W. Pearce, Singh Begal, Singh Jaget, Singh Heira, Singh Soobah, Singh Jaida, Singh Naran and Dass Mangal; for Singapore, Mr. G. Stewart; for Marseilles, Mr. E. Brunchburg; for London, Messrs. Edwin Oatey, Simmonds and J. E. Corby.

Per *Monteagle*, from Vancouver, Mrs. G. H. Pennefather, Mrs. and Miss Fullwood, Mrs. C. W. Holloway, Misses G. S. and E. Seldner, Messrs. J. A. Arnold, C. J. Weed, F. W. Spencer, J. P. Anderson, P. F. Coe, Col. and Mrs. F. E. Kent; from Yokohama, Mrs. Gilman, Rev. S. S. Drury, Miss Hance, and Mr. J. Hutchings; from Kobe, Mr. P. Durack and Mrs. E. Mast; from Shanghai, Mr. and Mrs. J. Silverthorne, Messrs. C. O. Gillilan, A. R. Hager and H. F. Cottam.

Per *Sachsen*, for Hongkong from Yokohama, Mr. G. H. Batheson Wright, Mrs. Bradford, Mr. Kulikowitzer; from Kobe, Mr. and Mrs. Looker, Miss L. Whilden, Messrs. C. Arendt, Goodlook Peobohp; from Nagasaki, Capt. Ehrhardt; from Shanghai, Mr. and Mrs. Weinberg, Mr. Teob Diabl, Rev. and Mrs. Chamber, Messrs. Rowe, Blumenthal, Aug. Meyer, C. C. Rutledge, O. D. Wannamaker, A. Rieke, Pitro Dezzotto, Rosette Latowies, and Timmermann; for Singapore from Yokohama, Mr. P. Whitefield; from Shanghai, Mr. Millard; for Penang from Yokohama, Messrs. A. M. Clavier and Hans Wille; from Shanghai, Mr. Spindler, Mr. and Mrs. Spanier, Mr. and Mrs. Grunblatt; for Colombo from Yokohama, Mrs. O. Blomfield; for Port Said from Yokohama, Capt. Ahmed Fadli, Mr. and Mrs. Lewonian; for Genoa from Shanghai, Mr. H. Wittmann, Countess Prat, Mr. Hans Beckwoldt, Mr. and Mrs. Medek, Messrs. F. R. Moran and E. Winkler; for Gibraltar from Shanghai, Mr. H. G. del Castillo; for London from Nagasaki, Rev. Brome P. Shmitt; from Shanghai, Messrs. W. Holliday, F. O. Foy and James Adams; for Bremerhaven from Nagasaki, Mr. Otto Lippold; for Hamburg from Shanghai, Messrs. Hemmann, Herbst, Anton Frank, T. Steffens, F. Erasoni and Aloys Stutzer.

DEPARTED.

Per *Doric*, for San Francisco, &c., Mr. G. K. Claxton, Mr. and Mrs. T. Colbronn and infant, Mrs. Geo. W. Engelhardt, Mr. and Mrs. A. E. Cummins, Dr. E. R. Stitt, Messrs. V. L. Brill, W. H. Lackey, Mr. and Mrs. J. Eagan and infant, Messrs. F. Alway, E. Baray, A. Arts, O. Becker, Mr. and Mrs. Geo. Ross, Messrs. G. Continoli, M. F. Fox, C. V. McCoy, Miss J. McCarthy, Messrs. W. E. Goolsby, Fleming D. Cheshire, C. R. Fife, G. Dykeman, S. de Bruhl, and L. I. Thomas.

Per *Gneisenau*, for Shanghai, Messrs. C. Rogge, E. Meyer, Maclean and N. Stipanoff, Mrs. England and 2 children, Mrs. Pintos and 5 children, Rev. Moraes and Rev. Henriquez; for Kobe, Mr. B. Bergdahl; for Yokohama, Messrs. R. Koops, G. Rapire, Mr. and Mrs. Beattie, and Miss Brehmer.

Per *Sachsen*, from Hongkong for Hamburg, &c., Messrs. James Adams, Blanco, Mrs. U. Blomefield and son, Messrs. A. M. Clavier, H. G. del Castillo, Major Evans, Mr. F. O. Foy, Capt. A. Fadli, Mrs. George Gilchrist, Messrs. W. W. Holliday, J. C. S. Hasteley, Herbst, Hemmann, H. Jones, G. H. Kruger, Mr. and Mrs. J. G. Lorcher, Mr. and Mrs. Lewonian, Mr. M. Mielok, Mr. and Mrs. Medek, Messrs. Millard, F. R. Moran, Mrs. Graefin Prat, Messrs. Riecke, C. Robert, Mr. and Mrs. Scotts Russell, Rev. and Mrs. Broome P. Smith, Messrs. H. Wittmann and Hans Wille.

Per *Athenian*, for Vancouver, &c., Messrs. C. L. Lawrence, T. G. Turnbull, W. Lucky, C. Mason, Mr. E. C. Schaefer, Mrs. G. E. Teitje, Miss Atwood, Mr. A. S. Kelly, Mrs. G. Osborne, Miss L. Arnold, Mr. and Mrs. G. A. Burn, and Mr. Vroon.

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